

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, APRIL 19, 1928



THE COST OF INSURANCE

INSURANCE rates are adopted, not set, by insurance companies. They are set by the property-owners of the country, through such fire-hazards as these property-owners create, suffer to exist, or, perforce maintain.

As every Agent knows, many high hazards might readily be eliminated, and countless others could be materially reduced, without hampering the progress or the profits of the businesses involved.

A general reduction of hazard would result in a general lowering of insurance premiums, and the average cost of insurance would thus be lessened by the property-owners.

The "White Fireman" advertisement reproduced in miniature above, appears in THE SATURDAY EVENING POST, April 28th issue, and in THE QUALITY GROUP of magazines, for May.

It depicts a representative case in which a property-owning Company actually reduced their own insurance cost, by following the advice of the "White Fireman".

**Insurance Company of
North America**

PHILADELPHIA

and the

Indemnity Ins. Co. of North America

write practically every form of insurance except life



LINKS IN A CHAIN

Founded
Sept. 1st, 1817.

J. W. Cochran
President



Capital
\$3,000,000.



Capital
\$1,000,000.



Capital
\$1,000,000.



Capital
\$1,000,000.

Home Office
4th & Walnut St.
Philadelphia
Penna.

Dep't Offices
Atlanta
Chicago
Dallas
San Francisco

ALMOST EVERY KIND **INSURANCE** EXCEPTING LIFE

CORROON & REYNOLDS, Inc.

MANAGER

92 WILLIAM STREET
NEW YORK CITY, N. Y.

AMERICAN EQUITABLE ASSURANCE CO., OF NEW YORK

December 31, 1927, Statement

ASSETS	CAPITAL	SURPLUS TO POLICYHOLDERS
\$6,000,569.04	\$1,000,000.00	\$2,405,564.51

KNICKERBOCKER INSURANCE CO., OF NEW YORK

December 31, 1927, Statement

\$4,105,633.66	\$1,000,000.00	\$1,926,422.54
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BROOKLYN FIRE INSURANCE CO.

January 1, 1928, Statement

\$2,992,512.73	\$600,000.00	\$1,600,000.00
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MERCHANTS AND MANUFACTURERS FIRE INSURANCE CO.

(CHARTERED 1849)

January 1, 1928, Statement

\$3,094,318.44	\$500,000.00	\$1,500,000.00
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NEW YORK FIRE INSURANCE CO.

(INCORPORATED 1832)

December 31, 1927, Statement

\$1,190,662.31	\$200,000.00	\$704,779.61
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REPUBLIC FIRE INSURANCE CO.

PITTSBURGH, PA.

(ORGANIZED 1871)

December 31, 1927, Statement

\$1,681,927.72	\$300,000.00	\$547,931.38
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MANAGER FOR EASTERN STATES

TRINITY FIRE INSURANCE CO. OF DALLAS, TEXAS

December 31, 1927, Statement

\$1,725,140.58	\$750,000.00	\$1,479,436.50
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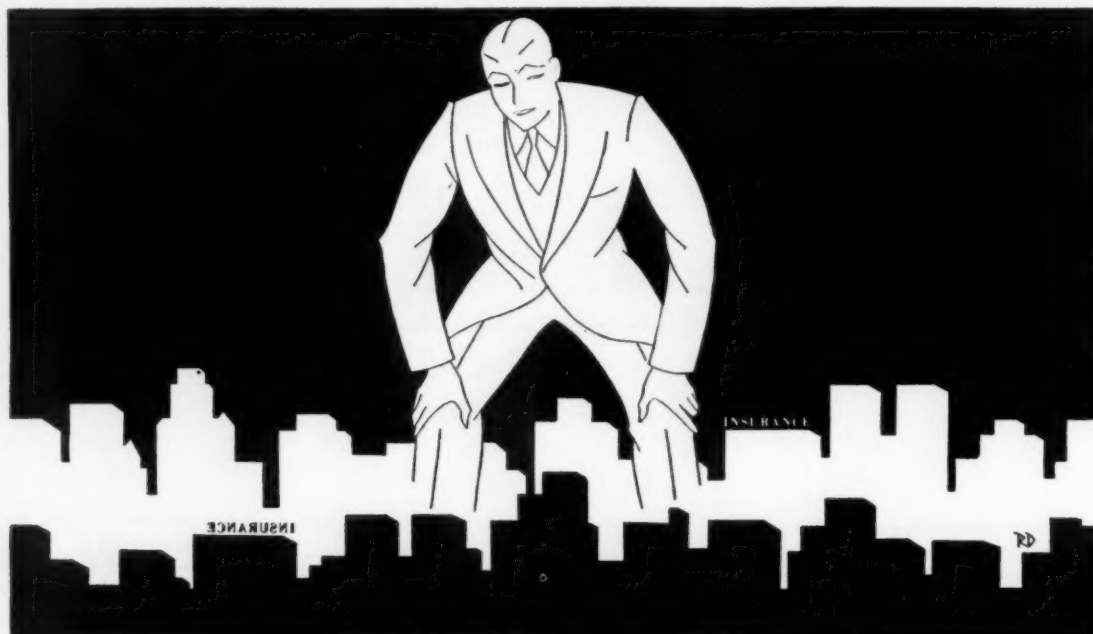
CLASSES WRITTEN

Fire, Explosion, Riot, Civil Commotion, Tornado and Windstorm, Sprinkler Leakage,
Use and Occupancy, Profits, Leasehold and General Merchandise Floaters

SOUND — PROGRESSIVE — EQUITABLE

These Are Our Keynotes

We welcome and invite this class of agency representation.



The Art of Selecting

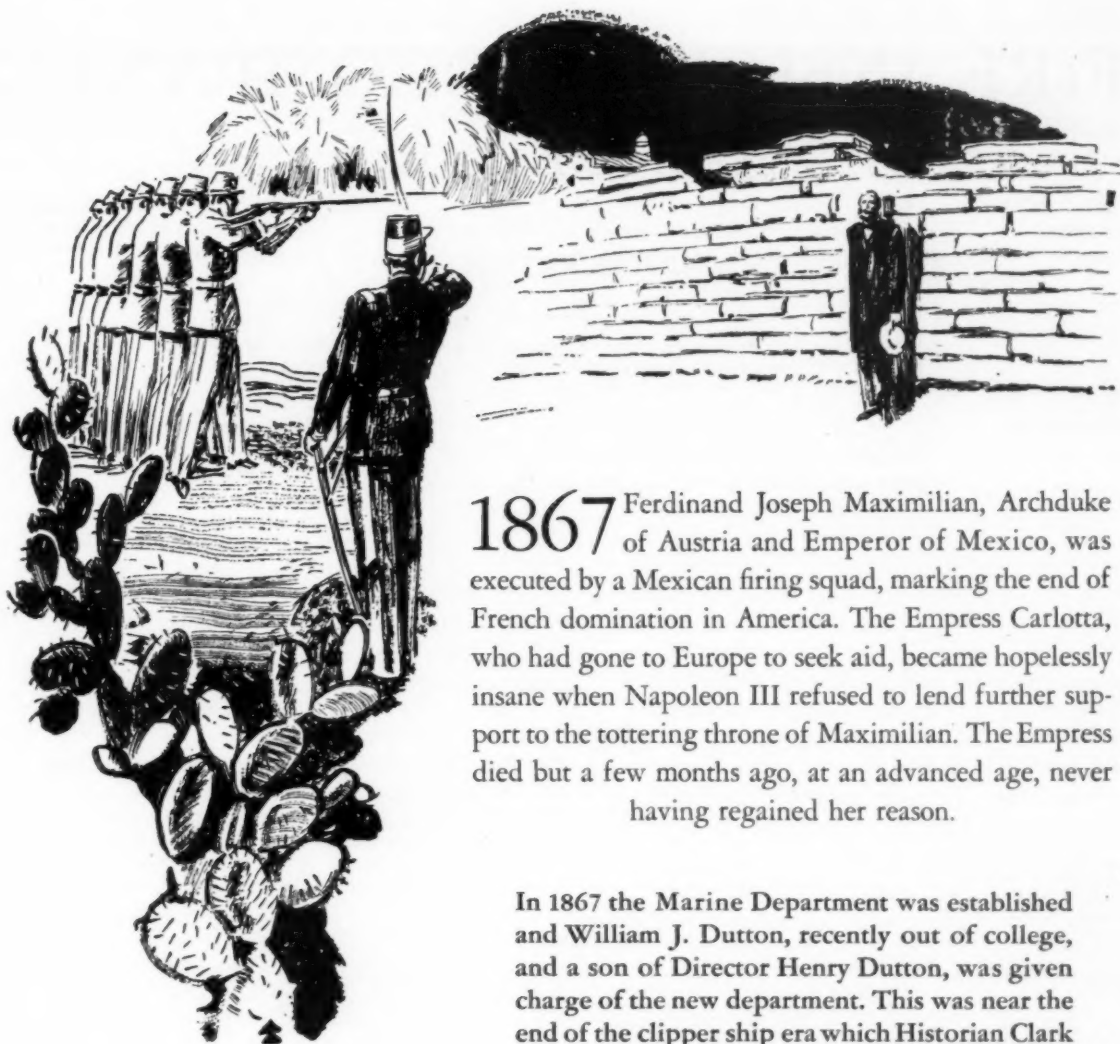
If there were only one fire insurance company in the world you would have to expend no mental effort in selecting the best company to represent. But there are many companies and therefore many necessities for intelligent selection. Vital consideration enters into the matter. Financial strength of companies, age, successful operation and reputation for fulfilling contracts must of course be given earnest study.

But the agent who thoughtfully looks to his own future will not fail to appraise accurately the *service* rendered to agents by those insurance companies he studies. Every once in a while a situation will arise that puzzles even the best-informed agent. It is *then* that we step in and extend the helping hand. Our seasoned special agents are eager to help *you* write every one of the many classes of insurance that we write. And this is only one of the many helpful services we render.

It is obvious that the company which is the most valuable to its agents is the one that gives them the most practical assistance in making more money. To that end we publish *The Accelerator*. Each issue is filled with specific selling ideas, clear explanations of our various policies, window-displays, newspaper advertisements and sales-letters.

Have you seen *The Accelerator*? If not, merely write to our Advertising Department for a copy.

**BOSTON INSURANCE COMPANY
OLD COLONY INSURANCE COMPANY
87 KILBY STREET, BOSTON, MASSACHUSETTS**



1867 Ferdinand Joseph Maximilian, Archduke of Austria and Emperor of Mexico, was executed by a Mexican firing squad, marking the end of French domination in America. The Empress Carlotta, who had gone to Europe to seek aid, became hopelessly insane when Napoleon III refused to lend further support to the tottering throne of Maximilian. The Empress died but a few months ago, at an advanced age, never having regained her reason.

In 1867 the Marine Department was established and William J. Dutton, recently out of college, and a son of Director Henry Dutton, was given charge of the new department. This was near the end of the clipper ship era which Historian Clark fixes as 1869, the year of the opening of the Suez Canal.

Fireman's Fund Insurance Company

FIRE, AUTOMOBILE
AND MARINE
INSURANCE



SAN FRANCISCO
CHICAGO NEW YORK
BOSTON ATLANTA

The Fireman's Fund, Home Fire & Marine and Occidental Insurance Company are good companies to represent.

PUBLIC

FIRE INSURANCE COMPANY

NEWARK, N. J.

Incorporated under the laws of New Jersey.

Registrar
Fidelity Union Trust Co.
of Newark, N. J.

CAPITALIZATION

Paid-in Capital	\$1,000,000
Paid-in Surplus	\$4,000,000
Paid-in Equipment Expense	\$ 200,000

\$5,200,000

Par value of shares, \$5.00 (with \$20 per share for surplus and \$1.00 per share for equipment expense), sold at \$26 per share.

Public Fire Insurance Company has been organized under the laws of the State of New Jersey to write fire, automobile and allied lines of insurance. As soon as departmental examinations in New Jersey are completed, which it is expected will be during the present week, application will be made for admission to transact business in other profitable States, commencing with New York.

The home office of the company will be at Newark, N. J., though a substantial organization

will be maintained in New York City under direction and supervision of an executive officer.

All executives comprising the management have been selected for their competency, their aggressiveness, their varied experience and their knowledge of underwriting conditions.

The company will not pay any commission, contingent or otherwise, on its general business to any executive or operating corporation. All executives will be employed on a straight salary basis.

OFFICERS

Arthur T. Vanderbilt, *Chairman of the Board*

J. T. Dargan, Jr., *President*
Formerly Vice-President and General Manager of Windle, Burlingame & Dargan, Inc.

Fred. A. Rye, *Vice-President*
Formerly Manager of Western Department of Commercial Union Assurance Co., Ltd., and affiliated companies.

David Neal Iverson, *Vice-President*
Formerly Assistant Manager of Liverpool & London & Globe Insurance Company and affiliated companies.

Ulric S. Atkinson, *Secretary*
Formerly Assistant U. S. Manager of Union Insurance Society of Canton, Ltd.

Paul Kennedy, *Secretary, Brokerage Department*
Formerly with Marsh & McLennan.

Hugh W. Allen, *Secretary Automobile Department*

Formerly Automobile Secretary of Fire Association of Philadelphia and affiliated companies; manager automobile department Constitution Indemnity Company.

DIRECTORS

Wm. Torrey Baird,
President, Baird Rubber & Trading Company, New York.

S. Sloan Colt,
Vice-President, Farmers Loan & Trust Co., New York.

J. T. Dargan, Jr.,
President.

Carl Egner,
Clark, Dodge & Co.

William S. Gray, Jr.,
Vice-President, Central Union Trust Co., New York.

Alfred Hurrell,
Vice-President and General Counsel, Prudential Insurance Company of America, Newark, N. J.

Henry W. Leeds,
President, Leeds & Lippincott, Atlantic City, N. J.

John T. Madden,
Director, Institute of International Finance, New York.

Clarence McDaniel,
Hooper & McDaniel, New York.

Jay Monroe,
President, Monroe Calculating Machine Co., Orange, N. J.

Daniel E. Pomeroy,
Chairman of Finance Committee, American Brake Shoe & Foundry Company, New York.

George M. Ruddy,
General Agent of Underwriters' Salvage Co., New York.

Howell M. Stillman,
Vice-President, Interstate Trust Company, New York.

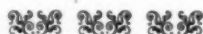
Harry H. Thomas,
President, Savings Investment & Trust Company, East Orange, N. J.

Arthur T. Vanderbilt,
Chairman of the Board.

Edmund W. Wakelee,
Vice-President, Public Service Corporation of New Jersey, Newark, N. J.

Morris White,
Capitalist, New York.

Charles G. Wilson,
President, Virginia-Carolina Chemical Corporation, Richmond, Va.



Nationwide Binding and Brokerage Office

No. 28 Platt Street, New York City

Paul Kennedy,
Secretary in charge.

George Hahn,
Assistant Manager, formerly underwriter of Pacific Fire Insurance Company.

Home Office

Essex Building
31 Clinton Street
Newark, N. J.

Hooper & McDaniel,
Metropolitan Managers, Corner Platt and Gold Streets, New York City, Phone 5110 John.

The entire issue of stock has been privately subscribed. This advertisement appears only as a matter of record.

The National Underwriter

Thirty-Second Year No. 16

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, APRIL 19, 1928

\$4.00 Per Year, 20 Cents a Copy

MANY NEW COMPANIES HAVE COME INTO BEING

Fire Insurance Investments Are
Attracting Capital in Large
Amounts

LIST OF RECENT ONES

East Has Come to the Fore With a
Number of Corporations Well
Ballasted Financially

NEW YORK, April 18.—By no means the least important of the many notable happenings in the fire insurance field during the past year, and in the three months that have elapsed since the beginning of 1928, has been the number of new companies that have been organized. The majority possess substantial capital and net surplus accounts, and are already proving keen competitors for business in many sections of the country. While the Public Fire of Newark is the latest of the more prominent newcomers to get under way, it will not be the last for some time, if reports of further intended organizations prove well founded.

Cause of New Interest

The marked activity in the successful flotation of new underwriting enterprises within the past 15 months, was in the main influenced by the great appreciation in assets and net surplus accounts achieved by the fire companies generally in 1927, the large amount of free money seeking profitable investment and the conviction that a handsome interest return was to be had from the fire insurance business.

Compilation Is Given

A compilation prepared by the A. M. Best Company lists the following new stock fire companies as having been licensed in 1927:

Acme Fire, Los Angeles; Ajax Fire, Newark; American Automobile Fire, St. Louis; Brooklyn Fire, Brooklyn; California Union Fire, Los Angeles; Colonial States Fire, New York; Essex Fire, Newark; Fidelity American, Houston; Great States, Dallas; Homeland of America, New York; Merchants & Manufacturers Fire, Newark; National Standard, Houston; Preferred Automobile, Grand Rapids; Reinsurance Corporation of America, New York; Standard Federal, Davenport; Transportation, New York and the Western of America, Seattle.

Since Jan. 1, these additional corporations have been licensed to begin operations: Empire Fire, Brooklyn; Jefferson Fire, Newark; Mohawk Fire, New York; Occidental, San Francisco; Pavia Fire, Jersey City, and the Philadelphia National, Philadelphia.

New Chicago Company

Of the 28 or more intended ventures whose incorporation has been announced and subscriptions to the capital of which

COMMISSION RATE IS UP TO THE COMPANIES

ATTORNEY GENERAL'S RULING

Underwriting Officials Will Try to Work
Out Some Acceptable Plan for
New Jersey

NEW YORK, April 18.—Receipt of an opinion from the attorney general of New Jersey holds in substance that there is nothing in the recently adopted amendment to the rating law of the state empowering either the insurance department or the rating expert to determine the rate of commissions fire companies shall pay their agents in the commonwealth. That function, he holds, belongs to the corporations alone, who are free to grant either a flat figure or a graded scale so long as it be uniform as to all representatives. Under this opinion company officials have now a definite basis upon which to work. This they have not had so long as uncertainty as to the clear intent of the statutory amendment existed.

To Hold Conferences

A series of conferences upon the subject will take place to be followed by a general gathering of company executives once preliminary discussions crystallize into a plan that gives fair promise of being acceptable to the great majority of offices represented in the state; whether affiliated or non-affiliated.

Petitions from Agents

The New Jersey agents are petitioning for either a flat 25 percent, or 20 and 30. The latter proposition seemingly meets with greater favor from head office men. As to how the plan would work out would depend very largely upon the classification adopted. It has been roughly offered that the 30 percent class embrace brick dwellings and brick mercantiles; churches, schools and public buildings, together with their contents, all under protection, while the 20 percent class would include stocks, special hazards, sprinklered risks and all unprotected properties.

are being solicited, probably the most important is the Fire Insurance Company of Chicago, which proposes a capital of \$2,000,000 and a surplus of \$3,000,000.

While several of the newcomers in the arena are subsidiaries of established corporations, or will be operated by experienced underwriters under general agency arrangements, the great majority of the institutions are being or will be under independent administration. Their initial appeal will be for home patronage, gradually extending the range of activities as their financial strength increases and as opportunity for profitable agency connections presents.

Older Companies Strengthened

To meet the added competition offered through the entry of the new Richmonds into the field, a number of the strong established corporations have materially increased their capital accounts, adding at the same time to net surplus, while a few have reduced the par value

(CONTINUED ON PAGE 32)

NEW GRAIN RATES FOR GREAT LAKES ADOPTED

COVERAGE COST IS INCREASED

Marine Writing Companies Believe
Close of Price War Is Indicated—
Season Has Opened

With the promulgation of increased rates for grain cargoes carried on the Great Lakes and their adoption by many of the prominent offices writing the line, marine men believe the three-and-a-half-year rate war on this and other lake marine business is nearing its close. Grain cargoes are among the most important, if not the most important, carried on the lakes, and the feeling is general in marine circles that if the insurance carriers adopt a reasonable attitude on the business that is available—which means adoption of and adherence to a reasonable rate for the coverage—some money can be made on the business.

On April 15 the lakes season officially opened, and will close at midnight, Nov. 30. Post-season business is written at increased rates over schedule, prorated on the previous-to-season time basis. Post-season business also is written at increased rates, but the excess cost over schedule is greater than the pre-season excess. It usually is post-season business that develops for the insurers the losses that wipe out whatever profit has been made through the regular season. Last year a number of large hull-and-cargo losses occurred on Lake Superior and offset the season's profits of some of the companies writing lake business.

Season, Post-Season Schedule

This year's schedule on grain carried in first-class steel bottoms is: To Lake Erie, Georgian Bay ports, Goderich, Port Huron and Detroit, \$10 per \$100 for sailings April 16 to Oct. 31 midnight; \$12½ sailings Nov. 1 to Nov. 30 midnight. To Kingston and Lake Ontario ports, including Ogdensburg and Prescott, \$15 sailings April 16 to Oct. 31 midnight; \$17½ sailings Nov. 1 to Nov. 30 midnight. To Montreal, direct or including transshipment by first- or second-class vessels, sailing April 16 to Oct. 31 midnight, \$22½; sailings Nov. 1 to Nov. 30 midnight, \$27½. From Buffalo or Port Colborne to Montreal, \$12½ sailings April 16 to Oct. 31 midnight; \$15 sailings Nov. 1 to Nov. 30 midnight.

Some changes have been made in the rates affecting grain cargoes in second-class steel and first- and second-class wooden, iron and composite vessels. It is likely that the rates for ore and coal cargoes will remain about as they were last year. Package business, which is written on the open cover basis, is a matter for individual offices to handle as their underwriting policies dictate. Some increases have been made on passenger-carrying hulls.

The Lake Hull Syndicate, which concerns itself with steel cargo hulls, is seen as a stabilizing influence in lake marine business. It is believed that its operations will result beneficially for assureds and the marine writing insurance companies.

Rates for grain cargoes have given

(CONTINUED ON NEXT PAGE)

COMMISSIONS PAID ENGROSSING SUBJECT

Ernest Palmer of Chicago Board
Declares No Study Has
Been Made

MAP IS A HODGE-PODGE

Asserts Company Officials Should Have
the Subject Scientifically and Com-
prehensively Investigated

The subject of commissions to local agents is one of the most engrossing ones at the present time. Ernest Palmer, manager of the Chicago Board, in his talk before the meeting of the Western Union at Atlanta last week stated that company officials and managers have never given the subject of commissions earnest, scientific and logical thought. He said that they had solved every other problem in connection with companies satisfactorily. The financial end of fire insurance companies is conducted with efficiency and intelligence. The rating department, he said, had been left to experts. They have given long, careful and discriminating study to the technique of fire insurance. The result is that fire insurance rating is done on a thoroughly scientific basis and there is little trouble with it. The underwriting, he said, has always received the attention of officials and managers so that today there are regular courses mapped out in that direction.

Wants Comprehensive Study

The production department, he said, so far as commissions are concerned has not received the attention that the others have. Mr. Palmer declared that companies are not inclined to let impartial experts study the commission question and make recommendations. If such students do investigate the commission subject and make recommendations, officials, he said, are not inclined to listen to them as they do to rating, underwriting and financial experts. He urged companies to make a comprehensive, serious and far-reaching investigation of the commission subject. He said that no one knows now whether the present plan is scientific or not. As a result of competitive forces there is no uniformity in commissions. The commission map over the country is a regular hodge-podge. Competition has served to bring exceptions here and there with certain cities favored. Mr. Palmer held that this is one department of fire insurance that needs particular attention.

Sharp Demarcation Seen

As local agents are giving some thought to the commission subject they realize that there is a sharp demarcation between those offices where business is gotten direct and those that rely on brokers, solicitors and sub-agents. Where business is handled direct by the heads

(CONTINUED ON PAGE 32)

BANK STOCKS RISE WHEN GIANNINI COMES

CHICAGO SHARES MOUNTING

Presence of the Bancitaly Corporation Head in a Community Immediately Causes Considerable Solicitude

The presence of A. P. Giannini, president of the Bancitaly Corporation and head of the Bank of Italy organization, who is the foremost banker on the Pacific coast, in Chicago caused a rise in bank stocks. Last week when he struck Chicago, immediately there was an advance of \$120 a share in the stock of the Union Trust Company, \$70 a share in the stock of the National Bank of the Republic and \$28 a share in the price of the issues of the State Bank of Chicago. There were smaller advances in other institutions.

Mr. Giannini recently acquired controlling interest in the Bank of America of New York and reports have had it since that he had his eyes open for other banks in big cities. The report was that he was seeking a Chicago foothold. It was stated, for instance, that he was after the Canal Bank & Trust Company, the largest New Orleans financial institution, because its stock went up to \$400 from \$240 six months ago. It was stated that the Bank of Italy crowd was endeavoring to secure control owing to the large Italian-American population in New Orleans.

Insurance Men Interested

The announcement on part of the Bank of Italy to extend its insurance operations and thus become an active competitor with agents has stirred the insurance fraternity. Some do not feel that the Bank of Italy will cut any great figure in insurance, yet others believe it will be a big factor if it puts on steam.

The Bancitaly Corporation, organized in June, 1919, under the laws of New York, is virtually an investment trust, holding securities of financial and industrial enterprises throughout the country. It also has interest in real estate through a subsidiary, the Capital Company.

Owens Much Bank Stock

As of July 22, last, the Bancitaly Corporation held shares of 21 banks throughout the country as an investment, these holdings ranging from 22 shares to 9,061 shares. Included in the list were institutions in New York, San Francisco, Boston, Pittsburgh, Los Angeles, and other cities, but none in Chicago. It is possible that the investments may have been substantially added to since that date and that shares of some Chicago bank or banks were acquired.

Growth Is Seen

The growth of the Bancitaly Corporation is shown by a comparison of the balance sheet for the last two years. On Jan. 20, last, investments of the corporation were carried at \$252,430,801, as compared with \$93,828,686 on Feb. 8, 1927. The capital stock in that period increased from \$56,250,000 to \$130,000,000.

NEW GRAIN RATES FOR GREAT LAKES ADOPTED (CONT'D FROM PRECEDING PAGE)

much trouble in the last few years, and the grain-hauling business on the lakes has developed some large losses for the insurers. Unfortunately the Canadian and northern United States grain crop each season goes to port at about the time when the elements begin to make war on lake shipping. Not all of the grain is carried in the fall season, however. At present the estimated amount of grain, principally wheat, in storage at Port Arthur and Fort William, is 90,000,000 bushels.

EUREKA SECURITY HAS ADDED TO HOLDINGS

BUYS ATTRACTIVE PROPERTY

Cincinnati Company Has Just Purchased Northwest Corner of Eighth and Vine Streets

The Eureka Security Fire & Marine of Cincinnati has just completed the purchase as an investment of the northwest corner of Eighth and Vine streets in that city at a cost of \$300,000, and this with the other pieces which the company owns in the same block will no doubt eventually take form as the site of a splendid new office building adjoining that of the Cincinnati Club. This will be one of the handsome business structures of the city and in one of the most desirable locations, fronting Garfield Park, in the heart of the city's new business district.

The Eureka Security has had a splendid experience under the management of B. Gates Dawes, Jr., whose father is chairman of the board of the Pure Oil Company and whose uncle is Chas. G. Dawes, vice-president of the United States. The company has increased its net premium income in the past five years from \$601,442 to \$1,110,551 in 1927; its surplus from \$590,856 to \$977,368, besides which it is now paying \$75,000 a year in stockholders' dividends, whereas five years ago it paid \$29,988. The company had a loss ratio last year of 39 percent. Its increase in premiums in 1927 over the previous year was about \$30,000. It has just crossed the \$1,000,000 line in net surplus.

The Eureka Security is the oldest and largest Ohio stock company. It operates in 36 states, is not affiliated with any other fire company, and is a proof

OREGON AGENTS ARE NOW ORGANIZED

HOMER H. SMITH PRESIDENT

Insurance Commissioner Lee Advocates a Strict Agency Qualifications Law and a Board for License

The Oregon Insurance Agents Union was organized at Roseburg, Ore., last week. Homer H. Smith of Salem was elected president. J. C. Rhodes, Bend; C. H. Reynolds, LaGrande and R. H. Dunbar of Klamath Falls were elected vice-presidents. H. D. Dunbar of Roseburg was elected secretary and treasurer. R. C. Holmes of Medford and J. H. McKinley were chosen directors. The first annual meeting will be held at Eugene.

Stricter qualifications for agents, together with a state bond of \$5,000 and an annual license fee of \$100 were recommendations by Clare A. Lee, insurance commissioner, at the meeting. He pointed out that many irresponsible persons are engaged in the insurance business, recommended that action be taken to centralize in large and reputable agencies and suggested a state bond and license as a means of achieving this end. He also stated that he favors a measure which would require agents applying for a license to pass a test to determine their knowledge concerning insurance.

These recommendations he stated, with such changes as may be found advisable, are to be incorporated in a bill to be brought before the next session of the legislature.

that it is still possible to conduct a fire insurance company as an independent organization.

INDICT W. H. SHANKS FOR MISAPPROPRIATING FUNDS

FORMER KENTUCKY AUDITOR

Had Supervision Over Insurance Department—Charge Arises Over Fire Prevention Department Payroll

FRANKFORT, KY., April 18.—Eleven indictments were returned last Friday against former State Auditor William H. Shanks, whose department had supervision of the insurance department of Kentucky the past four years. He retired from office Jan. 1, 1928. The charge against Shanks is "misapplying and misappropriating funds of the state." Five indictments were returned against Joe T. Embry, a cousin of Shanks, who was at the head of the department of fire prevention and rates the last four years. Mr. Embry retired about Feb. 1. He is charged with "unlawfully receiving funds for which he rendered no service." E. M. Griggs of Chicago, legislative representative of the National Board, and Vincent P. Whitsett of New York, legislative representative of the Association of Life Insurance Presidents, were both indicted. The charge against them is being on the floor of the senate and house during the legislative sessions without having been given the privilege of the floor. This is the first time that any person has been indicted for this offense in this state. A large number of other legislative representatives were indicted, among them being a number of former members of the senate and of the house.

Employed Wife, Is Charge

The amount that Mr. Shanks is accused of misappropriating and misapplying is not definitely known but it is known that at least \$18,200 was involved in the investigation. He is accused of having secretly kept his wife on the payroll of the state in the department of fire prevention and rates for four years at \$2,500 a year. She cannot testify either for or against him. The budget commission allowed Mr. Shanks \$35,000 a year to run his department. He drew the entire sum out and placed it to his credit in the bank, and then paid his clerks by check. Mr. Shanks is president of a bank at Stanford, Ky., his home town, and the money was deposited in his bank. Therefore the state will have to depend upon the books kept in Shanks' own bank to convict him on this charge, it is reported here.

HOME CELEBRATING ITS DIAMOND JUBILEE

In referring to the anniversary jubilee of the Home of New York in last week's issue a mistake was made in counting this the 65th anniversary. The Home has rounded out 75 years of commendable and successful operations. It is therefore celebrating this year its diamond jubilee. The Home has had a most interesting career during its corporate existence. Today it is one of the largest American companies. Its statement on Jan. 1 showed capital \$18,000,000, assets \$96,105,333, reinsurance reserve \$38,758,377, net surplus \$23,909,990, premium income \$45,190,238. Its total income last year was \$49,028,645.

Passes the Million Mark

The Eureka-Security Fire & Marine of Cincinnati has passed the \$1,000,000 mark in net surplus. It lacked some \$33,000 in reaching the \$1,000,000 on Dec. 31. Its net surplus at that time was \$977,368. The capital of the Eureka-Security is \$500,000, which therefore gives it a policyholder's surplus of \$1,500,000. The company is moving along in a very excellent way. Vice-President B. G. Dawes intends to keep it as a company traveling by itself and not associated with any group.

CONDENSED NEWS OF THE WEEK

Ernest Palmer, manager of the Chicago Board, declares that the companies should give comprehensive study to the subject of commissions. **Page 3**

Many new fire insurance companies have entered the field within recent months. **Page 3**

C. J. Reynolds of Fremont, Neb., was elected president of the Nebraska Association of Insurance Agents at its annual meeting. **Page 5**

Much interest is taken in the organization of the Public Fire of Newark. **Page 5**

Chicago Board asks for cooperation of the company organizations in checking unbridled competition in Cook county. **Page 9**

The theme of the special insurance group session to be held in connection with the annual meeting of the United States Chamber of Commerce May 7-11 will be the promotion of prosperity through insurance. **Page 11**

Hearing is held on companies' application for injunction in Kentucky rate case, but decision is reserved. **Page 11**

Victor H. Tousley of Chicago has been appointed electrical field secretary of the National Fire Protection Association. He succeeds W. J. Canada. **Page 11**

Henry W. Ives, well known insurance man of New York, died in London last week. **Page 14**

The North America will increase its capital to \$10,000,000. **Page 9**

Fire Association will increase its capital stock. **Page 9**

Tornado reports from the Missouri department show the St. Louis tornado loss in September, 1927, amounted to approximately \$10,350,000. **Page 9**

Tulsa Fire & Casualty Insurance Association protests against the Oil Insurance Association reducing commissions on mandatory classes of oil insurance to 10 percent. **Page 9**

Independence Fire will increase its capital to \$1,000,000. **Page 9**

Under the new rating law of New Jersey neither the insurance department or the rating expert has anything to do with determining the rate of commission companies shall pay agents. **Page 3**

Rate on grain cargoes carried on the Great Lakes is increased. Rate war that has lasted three and one-half years is believed to have become less intense. **Page 3**

Oregon Insurance Agents Union is organized. **Page 4**

Superintendent Beha of New York warns surety companies they must live up to acquisition cost agreement or suffer a reduction in rates. **Page 37**

A. L. Kirkpatrick, secretary and treasurer of the Casualty Information Clearing House, becomes associated with the liability department of the Continental Casualty. **Page 37**

United States Casualty is honoring Vice-President James J. Meador, who is rounding out 25 years of service with the company. **Page 38**

New Amsterdam Casualty will increase its capital to \$3,000,000. **Page 38**

Temporary court decision in New Hampshire regarding the automobile liability coverage is more complicated than it seems on the surface. **Page 37**

Plate glass company officials are holding meetings to consider rate reduction order in New York State and general field conditions. **Page 40**

Protective department of the American Bankers Association reports a notable increase in bank robberies. **Page 39**

An investigation of the surety business has been started in Milwaukee county. **Page 42**

Although building permits in Philadelphia have increased contract bond business is slack. **Page 40**

Metropolitan Casualty plans to adjust automobile accident claims through arbitration. **Page 39**

April 19, 1928

THE NATIONAL UNDERWRITER

5

**MORE LIFE IS NEEDED
IN NEBRASKA BODY****Resolutions Committee at State
Local Agents Meeting Sounded
Warning Note****REYNOLDS IS PRESIDENT****Number of Prominent Speakers Were
Present at the Annual Conven-
tion Held at Fremont****NEW OFFICERS ELECTED****President—C. J. Reynolds, Reynolds
Bros., Fremont.
Vice-Presidents—J. C. Livoni, Sidney,
and R. E. Dominy, Hastings.
Secretary-Treasurer—Arthur Baldwin,
Haldwin-Hecks Company, Fremont.**

At the annual meeting of the Nebraska Association of Insurance Agents at Fremont last week, the resolutions committee, consisting of M. E. Rathburn, Paul Colson and R. E. Dominy, brought a shock to the listeners when the final recommendation was read to the effect that some action must be taken at this time to stimulate and increase membership in the Nebraska Association of Insurance Agents or it should be disbanded. The membership in the Nebraska association is 47. It was cut down from 78 a year ago as many did not pay their dues or they resigned. Secretary Arthur Barney said that it was a total loss to attempt to try to get members by mail. An effort has been made to reinstate delinquent members. Secretary Barney said the National association has offered to send a man in the state to stimulate membership.

Resolutions Adopted

The resolutions committee recommended that during the coming year, the executive committee hold conferences with the commissioner of insurance, labor commissioner and the state fire marshal in an endeavor to cooperate and aid in the work of these departments. It recommends that the membership aid in every way possible the work and effort of the United States Chamber of Commerce in promoting the best interests of insurance by joining and cooperating with the local chambers of commerce or business organizations. The resolutions also endorsed Nebraska Insurance Day, pledging support to the initial convention at Lincoln, May 18. The resolutions also proffered aid to the special committee appointed by the governor for the purpose of making recommendations for the next legislature in amendments to the workmen's compensation law.

Prof. Spangler's Talk

C. D. Spangler, instructor of economics in the University of Nebraska, said that one of the developments in the insurance field worthy of notice is the tendency to include courses in its principles as a part of the curriculum of American colleges. The movement is of comparatively recent origin. It received a real impetus when Prof. R. H. Blanchard of Columbia in 1925 canvassed 210 of the largest American universities to learn how many of them were giving courses in insurance. Ninety-three reported that such courses were offered. Of these, 50 gave only one general course of insurance, 32 gave only specialized courses and 11 offered studies of both general and specialized nature. He said that since then not only has there been an increase in the number of institutions giving this instruction, but the courses have been vastly improved.

(CONTINUED ON PAGE 40)

**SERIOUS SITUATION IS
SEEN IN MASSACHUSETTS****FULLER RENEWS RATE FIGHT****Combination of Circumstances Likely to
Force Matter to Attention of
Legislators**

BOSTON, April 18.—Whatever may be the needlessness or necessity of an investigation into the rates for fire insurance charged in the commonwealth of Massachusetts, as viewed from the company standpoint or that of the public, it is becoming more and more apparent that the fire interests are facing a very serious situation in this state.

At the opening of the year Governor Fuller, who is a multi-millionaire, hard-headed, business man, in his annual address to the legislature, called for an investigation into fire rates. Immediately after the opening of the legislature came the \$6,000,000 Fall River conflagration and even the radically inclined among the legislators could see that this was no time to discuss the adequacy of fire insurance rates in Massachusetts. Had no other element entered into the proposition probably the fire rate recommendation would have been given a perfunctory hearing, reported unfavorably, and been forgotten.

City Probe Pending

But there was pending at the same time an investigation of fire rates in Boston by a committee appointed by Mayor Nichols. On this committee were several department store men and two or three insurance men of influence. It might be said conservatively that the work of the committee was not progressing very rapidly.

Shortly after the governor's recommendation was out the Boston Central Labor Union seized upon the idea and immediately passed resolutions approving of an investigation and adding fuel by quoting Boston's fire commissioner to the effect that property in Boston was tremendously over-insured and that losses were greatly overpaid, rather an inconsistency when analyzed, but this did not worry the labor men. Not to be outdone the United Improvement Association of Boston, made up of delegates from local improvement associations, also passed resolutions about the "greed and rapacity" of the fire insurance companies.

A preliminary hearing was given on
(CONTINUED ON PAGE 35)

**PRIZE CONTESTS FOR
FIRE PREVENTION WEEK****HOME OF NEW YORK PLAN****High School Students Will Enter in
Competition for Poster Design—
Much Interest Anticipated**

The Home of New York is sponsoring through its agency publication, "News from Home," a prize contest for a fire prevention poster design. This contest is open to high school students. Its purpose is to create a better understanding of the causes of fires and methods of preventing them, both among students and the public who will later see the posters when exhibited.

The plan calls for the cooperation of the Home agent. He will initiate a fire prevention poster contest in his local high school, offering such prizes as he may determine. This competition will be completed and prizes awarded before the schools close for the summer vacation.

Such a contest offers the Home agent an opportunity to create local interest in fire prevention during the spring months. It will give him added publicity and prestige. When the prizes are awarded a further opportunity will be provided for the Home agent to bring his agency into the local limelight again, this time in the announcement of awards and the exhibition of the competing designs and prize-winning posters.

National Competition

The next step is the entering of the first prize poster in the national competition conducted by the Home of New York. In this way the first prize posters of the local competitions will compete for the three prizes awarded by the Home as follows: First prize, \$100; second prize, \$50; third prize, \$25.

These designs will be received by the advertising department of the Home and judged during the summer months. The jury will consist of a prominent advertising man, a well-known artist and some prominent insurance man. These awards will be announced previous to Fire Prevention Week in October. The prize-winning poster of the national contest, if of sufficient merit, will be reproduced and distributed during fire prevention week.

The advertising department of the Home will furnish special announcement posters, folders and application blanks to assist their agents in promoting this contest.

**PUBLIC FIRE STARTS
UNDER BRIGHT SKIES****New Company at Newark Is
Backed by Prominent Finan-
cial Men****TO BEGIN WRITING MAY 1****Has a Battery of Underwriting Talent
That Is Exceptionally Well Fitted
for the Work**

NEW YORK, April 18.—The announcement of the organization of the Public Fire of Newark has created much interest in the insurance world inasmuch as no new company has started with the same amount of capital and surplus. The Public Fire has \$1,000,000 capital, \$4,000,000 net surplus and \$200,000 paid in equipment expense. That makes total resources at the start of \$5,200,000. The par value of the shares is \$5 and the stock was all sold at \$26 a share. There was no public offering of the stock. A group of prominent financial and business men of Newark and New York got together and underwrote the entire issue.

Vanderbilt a Big Factor

Arthur T. Vanderbilt, the chairman of the board, is a well known attorney of Newark who has very prominent financial connections. Newark seems to be a popular point for new home offices. A number of companies have been organized in New Jersey, most of them under very favorable auspices. There is plenty of money and many strong banks in the city. The Public Fire has such connections as the Fidelity Union Trust Company of Newark; Central Union Trust Company of New York; Farmers Loan & Trust Company of New York; Savings Investment & Trust Company of East Orange and other financial institutions. The board of directors represents business and financial men of the highest type.

J. T. Dargan, Jr., the president of the company, was born in the business at his father the late J. T. Dargan, Sr., was for many years southern manager of the Imperial of England at Atlanta and later was president of the Atlanta-Birmingham Fire. Mr. Dargan has been vice-president and general manager of Windle, Burlingame & Dargan, the well known adjusters in New York City. He is now leaving that business to head the Public Fire and will give it his entire attention. The insurance ballast of the Public Fire is particularly strong.

Insurance Ballast Is Strong

Fred A. Rye, one of the vice-presidents, has just resigned as western manager of the Commercial Union group. Mr. Rye has had a particularly fine training. He was formerly connected with the Western Factory Insurance Association, was general manager of the Western Insurance Bureau, was a field man and expert in the business. David Neal Iverson, another vice-president, was formerly assistant manager of the Liverpool & London & Globe in the east and is a man of sound underwriting training and extensive knowledge. Ulric S. Atkinson, the secretary, was formerly assistant manager of the Royal in the south and later moved to Chicago to become assistant United States manager of the Union of Canton. He has an intimate knowledge of southern conditions and on taking his seat with the Union of Canton he got a country-wide view of insurance and business conditions.

Paul Kennedy, the secretary of the
(CONTINUED ON PAGE 50)

HEAD NEBRASKA AGENTS' ASSOCIATION

C. J. REYNOLDS, Fremont
New President Nebraska Association



A. H. BERBIG, Kearney
Retiring President of Association

CHICAGO BROKERS BROKER LIFE INSURANCE THE S & L WAY

MORE than just a place to broker life insurance business is offered you by Stumes & Loeb—More than just an attractive commission—More than attractive low cost policy contracts—More than the usual Brokerage Service.

For S. & L. Brokerage Service carries through from actually going with the broker helping him sell the right policy to the delivery of that policy. Efficient, well posted life insurance men are at the disposal of Brokers using Stumes & Loeb facilities—It will pay you to take a moment to drop us a line.

YES—THE WORD SERVICE IS
but OVER DONE
WE TRY TO OVER DO
SERVICE

STUMES & LOEB
GENERAL AGENTS
PENN MUTUAL LIFE INSURANCE CO
112 WEST ADAMS ST. CHICAGO.

CRUM & FORSTER SOON TO MOVE INTO THEIR OWN BUILDING AT ATLANTA

ATLANTA, GA., April 18.—One of the finest branch offices in the country and the first of its kind to be built in Atlanta has just been completed by Crum & Forster and will be occupied by the southern department in charge of Hines Bros., the managers, on May 1.

The building is unique not only in that it is the first branch building to be constructed by an insurance firm in Atlanta, but also in that it is located at the corner of Spring and Arnstead streets, directly across from the Atlanta-Biltmore hotel and more than two miles from the business section of the city.

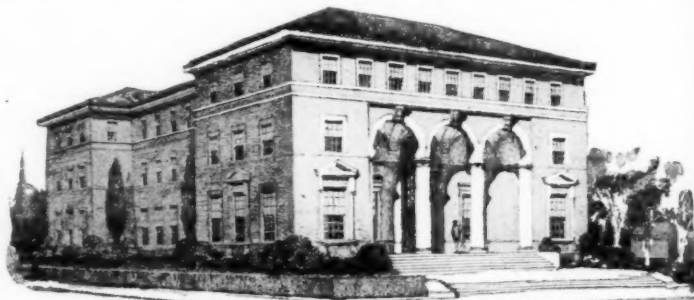
Description of Building

Built at a cost of approximately \$260,000, the new southern home of Crum &

third floor will be leased until needed by the firm, which is expanding rapidly.

"Although owning a branch building may be a little more expensive than leasing space in a downtown office building," says J. H. Hines, one of the managers of the southern branch office, in explaining the move, "we believe that this will be offset by several advantages.

"In the first place, there will be added prestige through the ownership of a large and attractive branch building. It will make a good effect upon our prospects and customers. Again the improved surroundings of the new office will lead to better work on the part of employees, we are sure. And, finally, the building will give us room for expansion as we need it. Our business is growing



CRUM & FORSTER BUILDING

Forster is an architectural gem. Italian renaissance in style, it embodies the beauty of this period with the utility of a modern American office building in a remarkable manner. The entrance, with its inset porch, arches and pillars, is one of the finest examples of the period to be found in the south. While within, every convenience for the office force and customers has been arranged for.

The building is three stories in height and covers an area of 25,000 square feet not including a basement for the storage of goods. The first two floors will be occupied by Crum & Forster, while the

rapidly and from time to time we need more room and need it immediately."

Premiums Increased

The two managers of the southern department are J. H. and H. F. Hines. In 1927 the southern department premiums exceeded two and one-half times the total for 1922. The territory covered is Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, South Carolina and Texas. The building of a structure to house its southern department is but an indication of the progressive spirit of Crum & Forster.

Judge Anderson Gives Views on Agents' Fitness

JUDGE H. B. ANDERSON of the United States District Court for western Tennessee in a decision in the case of E. McNeil vs. Connecticut Fire, makes some comment on the qualification of agents that is quite interesting. In the case the plaintiff owning property jointly with his wife gave the placing of the insurance to a young woman agent. She made the policy out in his name instead of the two jointly. The policy contained a clause requiring that all interests be stated definitely and clearly. When the property burned it developed that the wife's claim was not stated in the policy and the company denied payment. McNeil sued and the judge awarded him \$4,500, but refused his claim for an additional 25 percent penalty. In the course of his opinion the learned court said:

Should Patronize Good Agents

"Holders of fire insurance policies should carefully scrutinize them, and if necessary, have them construed by lawyers. Above all they should patronize only established and intelligent agents who know the insurance business and not give their fire policies to attractive young ladies who need the premium commissions but know nothing about other features of the business.

"The holder of an insurance policy taken out in good faith, without false representations, or rather fraud repre-

(CONTINUED ON NEXT PAGE)

Scheduled Property Floater Policy Form Is Now Announced

THE Automobile of Hartford announces its newest inland marine form "The Scheduled Property Floater." The company states there has been an increasing demand for floater insurance covering articles of a movable nature that had heretofore gone at least partly uninsured because specific policies did not furnish adequate protection. This policy covers in transit and at location, on exhibition or elsewhere, a great variety of floating property, such as guns, trophies, cameras, projecting machines, surveyors' instruments, doctors' and surgeons' instruments, lodge paraphernalia, mechanical and other exhibits, special machines, building cleaning equipment, outboard motors, collections of valuable objects, college gridiron tarpaulins, school colors, saddlery, false teeth, street clocks, etc.

Special Camera Rider

In addition, a special camera rider has been provided covering all risks. On cameras and projecting machines, under the regular form the rate will be \$2 with an additional 50 cents for aircraft cover. The worldwide rate with no aircraft cover is \$3. The minimum premium is \$10. The commission is 15 percent. It is stated that in view of the nature of the cover, the agent's aid is sought in the proper underwriting by the submission of all facts on application. No fixed rates are announced on the scheduled property floater.

SOME NEWS from *Glens Falls*

APRIL, 1928



Graham McNamee

GLENS FALLS ON THE AIR

The Interscholastic Invitation Tournament to decide the Eastern Basketball Championship was held this year at Glens Falls on the evening of March 31. The court of the Junior High School was used for the play-offs. The contestants, survivors of intense state and sectional competition, represented the best high school teams in this part of the country.

Through the courtesy of Glens Falls Insurance Co., Commerce Insurance Co. and Glens Falls Indemnity Co., the games were broadcast over Station WGY with Graham McNamee, world-famous as a sports broadcaster, announcing.

Mr. McNamee lived up to his reputation, and thousands of basketball fans who were unable to attend the games, listened in on his vivid descriptions of the thrilling contests.

A. & H. DEPARTMENT NEWS

With R. D. Lefingwell as Underwriting Manager and H. G. Helm as Production Manager, the Accident & Health Department of Glens Falls Indemnity Company is now functioning smoothly.

To help the agents, new and attractive literature for the A. & H. Department has been prepared. Four of the folders, designed as a series, are shown here. Each piece is 3½ x 6¼ inches and is printed in two colors on gray stock.



NEW YORK CITY APPOINTMENT

Glens Falls Insurance Company announces the appointment of Mr. F. W. Tillotson as Special Agent in charge of the New York Service Office with headquarters at 80 Maiden Lane. His many years' experience in similar work in New York City has well equipped him to render prompt and efficient service on all brokerage lines.



Follow this advice
but—
**BUY
AUTOMOBILE
INSURANCE**
for Protection

A POSTER WITH A PUNCH!

Above is reproduced a recent Glens Falls Poster. The original, 17 x 22, was printed in red and black. It has brought forth many favorable comments and is being displayed in the office windows and on the office walls of thousands of Glens Falls Agents all over the United States.

Glens Falls

INSURANCE COMPANY
Glens Falls, N. Y.

ASSETS	\$20,294,136
CAPITAL	4,000,000
OTHER LIABILITIES	11,071,926
SURPLUS	5,222,210

COMMERCE
INSURANCE COMPANY
Glens Falls, N. Y.

ASSETS	\$4,078,478
CAPITAL	1,000,000
OTHER LIABILITIES	1,969,684
SURPLUS	1,108,794



ASSETS	\$1,777,818
CAPITAL	750,000
OTHER LIABILITIES	627,818
SURPLUS	400,000

NEW AND EXCLUSIVE

Here is reproduced a small section of the cover of a new and exclusive Glens Falls sales help. It is a book of 28 pages in which is listed the name of every town in the United States where the company has an agent as indicated by the dots on the map. The book is furnished to the agents who, in turn, give a copy with each automobile policy issued by them in the Glens Falls. Inside the back cover is a safety envelope. In this is an Identification Card. Should the policyholder get in trouble anywhere in the United States, all he has to do is locate the Glens Falls Agent, show his Identification Card and he'll be taken care of. *That's real service.* The book is 3¼ x 5 inches and very thin. It can be carried in the coat pocket or the car pocket without any inconvenience.



PHILADELPHIA BRANCH OFFICE

A branch office of the Glens Falls Insurance Company and the Glens Falls Indemnity Company was opened in Philadelphia on March 15. The office is located on the ground floor of the Insurance Exchange Building, 136 South Fourth Street. It is under the direction of Mr. Frank A. Roberts as Branch Manager. Mr. A. L. Listman is Manager of the Casualty Department and Mr. Gilbert G. Snowden is Manager of the Fire Department. Any Glens Falls Agent visiting Philadelphia is assured of a cordial welcome by Mr. Roberts and his associates.

PENNSYLVANIA APPOINTMENT

At the same time, the appointment of Mr. A. E. Duncan, Jr., as Special Agent in charge of Eastern and Central Pennsylvania, with headquarters in Philadelphia, was announced. The appointment will be a popular one as Mr. Duncan is well and favorably known through his long experience and wide acquaintanceship in this field.

STILL IN DEMAND

"The Glens Falls Handy Book," running into two printings in 1927, is still going strong. Letters of praise from all over the country are reaching the Home Office almost daily. We could fill pages with quotations from these letters, but space forbids the use of more than are here given.

"Anyone reading this book carefully cannot help but be benefited."

"This is a most valuable book for reference purposes especially."

"**A valuable asset to any agent.**"

"**Interesting, instructive and helpful.**"

"**Contains much valuable information.**"

It is gratifying to know that "The Handy Book" is being used by companies, agents, insurance libraries, schools and colleges, state fire marshals, and state insurance commissioners throughout the United States.



PILLARS OF STRENGTH

Three Great Companies
Providing Strong
and Dependable Insurance
in Fire and Allied Lines
and in Casualty and
Surety Protection



TWO NEW COMPANIES TO WRITE AIR COVERS

TAKE FIRE, CASUALTY RISKS

Transportation Insurance and Transportation Indemnity Announce Plans at Detroit Aircraft Show

DETROIT, April 18.—Airplane manufacturers, owners and pilots attending the All-American Aircraft Show here received with enthusiasm the announcement made this week that the Transportation Insurance Company and the Transportation Indemnity, both new companies and both of New York, are to enter actively the field of writing fire and casualty coverages on air risks. Edward D. Lawson, Chicago, western manager of William H. McGee & Co., marine office, and of the Transportation companies, has an elaborate booth at the aircraft show and has found that the aircraft industry has felt itself seriously handicapped by lack of insurance facilities. Mr. McGee is president of the two Transportation companies.

Until the entrance of the Transportation companies into the aviation field, fire and casualty coverage for planes and flyers was written by only a very small group of carriers in the United States. For this reason, Mr. Lawson reports after conferences with pilots and owners, flyers and plane makers have felt that absence of competition has resulted in their being penalized for what have been considered the extremely great hazards of their business.

The Transportation Insurance is in the field to write fire and theft, windstorm, cargo and "crash" insurance, and the Transportation Indemnity—which soon is to begin active bidding for business—to write personal accident, property damage, legal liability to passengers and compensation. Under a new rating system just established it is felt, Mr. Lawson states, that these covers can be written beneficially for the carriers and for the aviation industry.

The companies' entrance into the aviation field is prompted by improvement in planes and in flying methods since the war. Flying has become an important part of the business and recreational life of the country and insurance for craft and flyers has become equally important. Mr. Lawson says that aviators and plane manufacturers consider the middle west the territory in which aviation will advance most rapidly along commercial lines, for the reasons that flying and ground conditions are better in this section and that this part of the country is industrially developed to a high degree.

Mr. Lawson has had daily practical experience in flying since the air show opened, and has chartered a Stinson plane in which to fly back to Chicago on Friday of this week.

JUDGE ANDERSON GIVES HIS VIEWS ON AGENTS (CONT'D FROM PRECEDING PAGE)

sentations on his part, should be able to rest easy on its security. He cannot do that without perusing his policy, without consulting and doing business with high-class insurance agents who know their business and know how and are anxious to protect their customers.

"The amateur lawyer and the amateur doctor have done much harm in time past. The amateur fire insurance agent is in the same class."

J. H. Wilson Assumes New Duties

J. H. Wilson has assumed his duties as manager and underwriter in the home office of the Merchants & Manufacturers Fire at Newark, N. J. He formerly was with the Importers & Exporters.

HOUSEHOLD EFFECTS NOT WELL COVERED

MORE INSURANCE IS NEEDED

W. E. Boyd of the Travelers Fire Gave Address Before a Conference of Its Agents

The average amount of fire insurance carried on household furniture is less than 50 per cent of its insurable value, it was declared Tuesday by W. E. Boyd, Jr., supervisor of the agency field service for the Travelers Fire, in speaking at the conference which Travelers agents held in Chicago.

"When we consider the fact that the contents of a dwelling are more susceptible to damage from both fire and water than the dwelling itself, we do not have to stretch the imagination very far to visualize the possibilities of a substantial loss which people are certain to suffer in the event a fire gains considerable headway in their dwelling," Mr. Boyd told the conference. In the last ten or twelve years he said there has been a very marked increase in the cost of construction which has had its effect in causing an increased value, despite the fact that dwellings depreciate in value. Experience has proved, Mr. Boyd asserted, that the average home, which in 1915 cost \$10,000, has today an appreciated value of more than \$15,000. In this connection it was pointed out that frequently whatever fire insurance is carried is only enough to protect the mortgage and that the owner has not covered his increased value.

Rental Value Insurance

Another form of protection to which Mr. Boyd referred was rental value insurance. This form was devised, it was explained, to protect the owner of a building against the loss which follows a fire and which is not provided through property damage insurance. A man who owns the house in which he lives and who has to find accommodation elsewhere for his family in case his dwelling is so damaged by fire that it is untenable, is protected by rental value insurance against the loss incurred by having to rent other property.

Mr. Boyd likewise mentioned the fact that people may have their personal effects insured against loss through fire or theft while they are away from home. Such a policy, it was said, affords protection while the policyholder is traveling. A use and occupancy contract also was explained as a method whereby in case of damage to a plant by fire the owners will be protected against the loss of profits and the burden of the unavoidable fixed charges. Such losses, it was said, must be borne by the owners until the business is restored to its normal operation unless they have taken the precaution of carrying business use and occupancy insurance.

SOUTH CAROLINA BUCKS BANK APPOINTMENT

The South Carolina Association of Insurance Agents has sent out a letter to agents of companies which are members of the Firemen's, Phoenix of Hartford, Westchester and Hartford Fire groups. It criticizes the management of these companies because the Firemen's, Phoenix of Hartford, Westchester and Hartford Accident have not withdrawn from the National Insurance Agency of Columbia. This office was recently organized to be affiliated with the National Loan & Exchange Bank of that city. The South Carolina Agency Association officers declare that the four companies are in violation of the conference agreement on the appointment of bank agencies.

NEW COMMITTEE TO DEAL WITH CHICAGO

Western Union Hopes Yet to
Have Amicable Agreement
Reached

PALMER WELL RECEIVED

Manager of Chicago Board Made a
Fine Impression in His Talk
at Atlanta

The consensus of opinion among Western Union managers is that the organization did not sidestep the Chicago commissions issue at its meeting in Atlanta last week, but went as far as it could in attempting to bring order out of more or less chaos by authorizing the appointment of an entirely new committee to deal with a new committee from the Chicago Board and Western Insurance Bureau on the subject of formulating an agreement that will be fair to all parties and will meet the demands.

The text of the resolution passed at Atlanta was: "We recognize the bad conditions that exist and deplore them. We hope that by the appointment of another committee of representative agents and companies a further and sincere effort be made to harmonize existing conditions, that this work be undertaken as soon as possible. In the meantime every member agrees to avoid any action which would tend to bring further demoralization on the commission question."

Palmer Gave a Talk

Ernest Palmer, manager of the Chicago Board, appeared before the Western Union and gave an explanation of the Chicago situation. It is rarely that an outsider is permitted to speak to the Western Union at its meetings. The executive committee of the Chicago Board had requested that Mr. Palmer be permitted to have the privilege of the floor in elucidating the situation. He made a very firm, fair and comprehensive presentation of Chicago conditions. He was called into the meeting following the presentation of the special committee report from Chicago, headed by George H. Bell of the National. After his address he left the room and did not participate in the discussion. Therefore, Mr. Palmer was sandwiched between two important parts of the program without taking part in either or knowing what happened. Mr. Palmer's stock rose in the estimation of the managers and officials. Those who were members of the famous 17 protestants declared that Mr. Palmer acquitted himself nobly.

Attitude of the Protestants

It was apparent that the 17 protesting managers were in a position to block any mandatory legislation. They contended right along that some disposition must be made of Class 1 commissions before anything else can be done in Chicago. There was some spirited talk about upholding the Chicago Board, some taking the ground that the action of the board in passing new rules, and in regulating Class 2 commissions and brokerage should be upheld. It was found, however, that nothing could be done at this meeting. The special Chicago committee in its report reviewed the situation and then asked to be relieved of further responsibility. This was voluntarily done and it opened the way toward an entirely new committee to deal with the matter. The former committee seemingly could not get together and it was felt useless to try to arrive at any point with the same personnel. The

(CONTINUED ON PAGE 50)

PHILADELPHIA TO HAVE THREE STOCK INCREASES

COMPANIES ARE SUCCESSFUL

North America, Fire Association and
Independence Fire Will All Add
to Their Resources

PHILADELPHIA, April 18.—The directors of the North America have called a special meeting of stockholders June 12, to vote on an increase of capital from \$7,500,000 to \$10,000,000. There will be issued 250,000 new shares of a par value of \$10 each. Of this amount 100,000 new shares are to be used in acquiring the ownership of the stock of the Alliance of Philadelphia and the remaining 150,000 are to be offered to present stockholders of the North America. The Alliance has \$1,000,000 capital, divided into 100,000 shares of par value of \$10 each. These are quoted at \$83. The North America shares are selling around \$94. The Alliance is managed by the North America and is operated through its department offices. The North America has a very large net surplus, more than \$23,000,000. There have been reports from time to time that the company would declare a stock dividend or would sell new shares far below market value. The North America is an old American institution, one of the best managed companies in the country, and does a most successful business.

Fire Association's Plan

Still another Philadelphia company is to increase its capital. The Fire Association has called a special meeting of its stockholders for May 14 to vote on an increase in the capital stock from 300,000 to 1,000,000 shares, both of \$10 par value, and the approval of a stock dividend of one new share for each three shares held by stockholders of record April 14. The stockholders also will vote on the transfer of \$1,000,000 from the surplus to the capital account to pay for the stock dividend. The remaining 600,000 shares will be sold at not less than \$60 a share. Ten dollars a share of the money received will be credited to the capital account and the balance will be added to the surplus.

News of the action caused great activity in the stock last Friday, 7,300 shares changing hands and the stock showing a gain of 1½ points to close at 78¼. It is one of the sterling companies of Philadelphia and under the leadership of President J. W. Cochran it has made great strides.

Plan of Fire Association

On the basis of the Dec. 31 statement, after the stock dividend has been declared the Fire Association will have net surplus of nearly \$6,300,000. The capital after the \$1,000,000 stock dividend would be \$4,000,000. That would leave 600,000 shares at a par value of \$10 a share to be disposed of at such time as the directors may determine. It is not likely that the 600,000 shares will be disposed of at this time. The price would be fixed at \$60 a share if sold now. This would give \$36,000,000 additional funds. Those who are studying the situation declare that giving the present stockholders a stock dividend and thus partially recompensing them for waiving their rights to subscribe to the new stock, gives the directors the authority to sell the new stock as they deem best. This would mean very likely that the agents of the Fire Association group would be given an opportunity to purchase some of these new shares. The Fire Association has a fine lot of agents and the officers may therefore afford them an opportunity of buying stock.

Independence Fire's Increase

Stockholders of the Independence

OBJECT TO THE CUT IN OIL COMMISSIONS

PROTEST BY TULSA AGENTS

Declare That the Company Syndicate
Has No Authority to Reduce
Regular Compensation

TULSA, OKLA., April 18.—Resolution regarding the Oil Insurance Association was not changed this week. However, a committee was appointed to give the matter more thorough thought. In all probability some action will be taken at next week's meeting.

The Tulsa Fire & Casualty Insurance Association of Tulsa, Okla., has issued a protest against the Oil Insurance Association notifying agents that after April 1 commissions on mandatory classes of oil insurance, consisting principally of oil refineries, tank farms and casing head gasoline plants will thereafter be 10 percent. The Tulsa local agents claim that this violates the graded commission agreement with the companies. The Tulsa Fire & Casualty Insurance Association at its meeting adopted the following resolutions:

Whereas, our attention is called to the fact that the Oil Insurance Association is notifying the local agents that the commission on certain classes of oil insurance is being reduced to 10 percent effective April 1;

Whereas, this reduction in commission was brought about in order to equalize the commission paid outside brokers with that of the local agents who now only receive 10 percent;

Whereas, the Oil Insurance Association has heretofore discontinued paying the usual commission of 5 percent on Oklahoma business placed from outside the state;

Whereas, the Oil Insurance Association has no power to modify the commission agreements entered into between our companies and ourselves as local agents, establishing a graded scale of commissions with minimum fire insurance commission of 15 percent on special hazards;

Will Not Recognize Notice

Resolved, that we the members of the Tulsa Fire & Casualty Insurance Association do strenuously protest against the action of the Oil Insurance Association in attempting to reduce commission on these classes. We will not recognize this notice and remittance will be made on the usual agency commission basis.

Resolved, that a copy of this resolution be furnished the Oil Insurance Association, each company member thereof, the insurance press and to other local insurance boards in this territory.

Hanover Has General Agency

The Hanover Fire and the Illinois Underwriters Agency have established a general agency at Denver with Standart & Main, covering Colorado, Wyoming and New Mexico. A. K. Driscoll, state agent for a number of years, has gone with Standart & Main as loss superintendent. Standart & Main conduct a very successful general agency in the mountain field.

Fire of Philadelphia will meet June 14 to vote on the increase of capital from \$500,000 to \$1,000,000. The Independence Indemnity controls the majority of the stock of the Independence Fire. The Independence Fire has been going along in a quiet way, but developing business as rapidly as seemed desirable. Now the time has come for an increase of capital and surplus in order that it will have stronger financial footing. On Jan. 1, the Independence Fire had assets \$1,345,233, premium reserve \$491,965, net surplus \$275,036, premium income \$554,907, losses \$224,920. It paid 6 percent dividends last year. Its loss ratio was 42 percent and its expense ratio 46 percent last year. Charles H. Holland is head of both the Independence Fire and Independence Indemnity.

REPORTS SHOW LOSS IN ST. LOUIS STORM

Approximation Made From Figures
on Tornado Payments in
Missouri

WELL OVER TEN MILLION

Companies Have Been Liberal in Payments
and Nearly All Claims
Are Settled

ST. LOUIS, April 18.—Approximately \$10,350,000 was paid by insurance companies for losses in St. Louis in the tornado of Sept. 29, 1927, based on reports of various stock, mutual and reciprocal insurance companies writing tornado and windstorm insurance submitted to the Missouri insurance department.

A check of the department's reports indicated that the insurance companies paid a grand total of \$12,436,793 on tornado and windstorm insurance coverage in Missouri during 1927 compared with \$340,212 paid in the state in 1926. The 1927 payments far exceeds that of any other year.

Did Not Segregate Losses

The reports of the companies to the Missouri department did not attempt to segregate the losses paid in St. Louis for the Sept. 29 disaster but through the process of elimination the above estimate of \$10,350,000 is reached. To date upwards of 98 percent of the Sept. 29 claims have been paid by the companies, which were very prompt and most liberal in the payment of their losses. There are still some claims in process of settlement.

It has been estimated that the insurance companies paid about \$1,000,000 for the losses in Poplar Bluff and vicinity on May 9, 1927, while the general storm which swept through St. Louis on May 9 cost the companies about \$750,000.

Lawton Makes Statement

Carl S. Lawton, of the general agency of Lawton-Byrne-Bruner, who was the insurance representative on the Citizens' Tornado Relief Committee, in commenting on the data gathered by the Missouri department, said:

"As far as I know all claims arising out of the tornado in St. Louis have been paid. The insurance companies were very liberal and they made the payments in short time, considering the huge task of investigating and adjusting the thousands of claims. The figures of the state insurance superintendent are most accurate available at present."

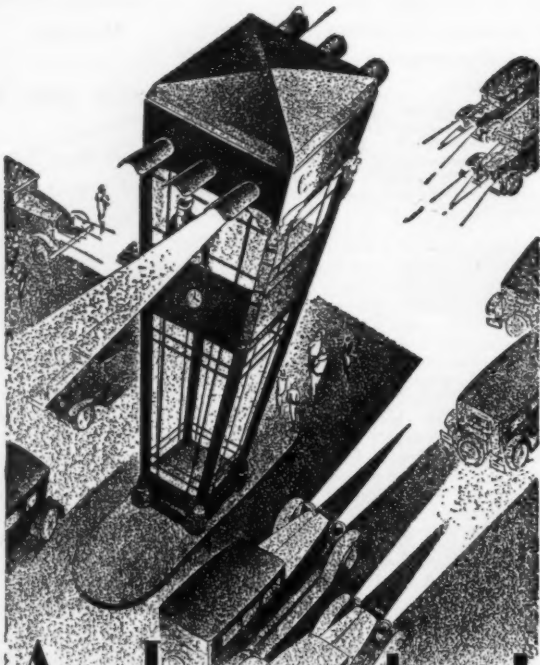
Company and public adjusters of St. Louis who worked on the tornado claims estimated that about 98 percent have already been paid. On their estimates of the claims still out probably another \$200,000 will be paid by the insurance companies before the books are finally closed.

Self-Insurance Costly

The morning after the St. Louis tornado the representative of this publication made a personal survey of the damaged areas, estimating total loss at \$22,000,000 and insurance loss at \$8,500,000. Hyde's figures include mutual and reciprocal losses. The largest individual loss sustained through the storm was that of the St. Louis board of education. Complete and final data on the board's loss has not been made public but it was approximately \$1,000,000.

The taxpayers of St. Louis will be compelled to make good this entire loss because several years ago, contrary to the advice of leading insurance men, the board of education voted to adopt the self-insurance idea. When the Sept. 29

(CONTINUED ON PAGE 50)



An Important Crossing

HERE they come! Millions of motorists, all ready to get out on the road again. What are they thinking of? The new highways—a vacation tour—week-end trips—*everything but insurance.*

They are coming to an important crossing now, where it is up to the agent to signal them. This is the season when countless policies expire. When new ones go into effect. When new cars are being bought. When policies held by finance companies are lapsing after the first year. Almost every man who drives is a live prospect for automobile insurance right now.

By flashing the "stop" sign our agents are reaping a big reward on premiums for fire, theft, property damage and collision. And adding to their reputation for complete insurance service.

**THE LIVERPOOL
AND LONDON
AND GLOBE
Insurance Co Ltd**

80th
Year in the
United States

Executive Offices: 1 Pershing Square
Park Ave. at 42nd St., New York, N. Y.
Western Dept. CHICAGO Pacific Coast Dept. SAN FRANCISCO

THE NATIONAL INSTITUTION WITH A WORLD WIDE BACKGROUND

Chauncey Miller Writes New Book on Direct Mail Plan

"Down to Brass Tacks" is a brand new book issued by the Spectator Company, 135 William street, New York, Chauncey S. S. Miller, head of the publicity department of the North British & Mercantile group being the author. The book sells for \$2.85. Mr. Miller has given wide study to advertising, publicity and business promotion subjects. He has been gathering a wealth of material which he has put in compact form in this work. Mr. Miller realizes that much good money is being spent carelessly in direct by mail and other forms of ad-



CHAUNCEY S. S. MILLER

vertising because the methods used are not effective and modern. He believes that local agents can accomplish much through the use of the 2-cent stamp if they pursue a course that will attract attention. In this book, Mr. Miller therefore, charts out a proper program. He takes up such subjects as the mailing list, the prospect, the letter, giving a general discussion, form of the letter, personalizing the message, adjusting the copy, mailing the letter, direct mail appeal, etc. He gives examples of direct mail letters. It is a very useful and constructive book written by a man who knows his subject.

Warning on Mexican Business

NEW YORK, April 18—Members of the United States Fire Companies Conference have been warned by its secretary, T. M. Marson, to observe strictly the Mexican insurance laws, the violation of which would subject offenders to severe penalties. Three years ago the conference decreed that no Mexican business be written on this side of the border, either directly or as reinsurance, except under Mexican forms and at full tariff rates. A recent law of Mexico requires that all policies covering on property in the country be printed in the Spanish language.

Will Enlarge the Company

The National Bancitaly Company in announcing that it has purchased the Pacific National Fire states that its capital will be immediately increased to \$500,000 and its surplus to \$2,000,000. Definite plans for the development of the organization have been outlined. For the present only fire insurance will be conducted but eventually marine, casualty and other departments will be opened. The management of the company will be in the hands of Robert Carlson, vice-president and director, who is head of the insurance department of the Bank of Italy interests. Mr. Carlson was formerly general manager of the Nevada Fire.



Alaska purchased from Russia
March 30, 1867, for \$7,200,000

THE purchase of Alaska for \$7,200,000 may well be compared to the purchase of Manhattan for \$24. Each was to be revealed a munificent bargain despite the bitter opposition shown the former. Many times over has its worth been disclosed, particularly in its natural resources.

The Home is represented in Alaska by six agencies. Since its organization in 1853 the policy of the Company has been to extend its scope of operations. Now through its foreign department it writes policies outside of the United States in every civilized country of the world.

**THE HOME
INSURANCE COMPANY
NEW YORK**

—Seventy-fifth Anniversary Year—

**W. E. BOYD'S ADDRESS
FEATURE OF SESSION****SPEAKS ON FIRE COVERAGE**

Two Other Speakers Are on Half-Morning Program at Travelers Sales Convention

Three addresses, two brief and one long, featured the first half of the Tuesday morning program of the two-day sales congress for Chicago agents of the Travelers held this week. This part of the session was devoted entirely to fire lines. It was presided over by A. M. Raymond, Chicago manager of the Travelers Fire, who also made the opening address, "A Greater Travelers Fire Year."

"We are here to mesh the fire lines with the other lines the Travelers companies write," Mr. Raymond said. "Our plan is to put into your kits the facilities of the fire company." He said that many agents, and especially those who have been developed along life lines, are likely to be asleep to the possibilities of the Travelers Fire. He emphasized the fact that at the end of its first full year of operation the Travelers Fire stood 29th in the list of companies in volume of business written and said that when the 1927 figures are published in the "Argus Chart" the company probably will be seen to have moved several notches upward the head of the fire company list.

Advises Use of Sales Aids

He advised his hearers to use the printed sales aids the Travelers Fire has prepared for them and briefly covered some of the fire lines that life, accident and health and casualty salesmen will do well to push. "Use these helps extensively and intensively," he advised, "for they will make money for you." In closing he expressed the hope that all Travelers' agents are selling and will continue to sell restoration of values instead of policies.

"How I Use the Facilities of the Travelers Fire to Increase My Income" was the subject of an address by A. D. Oskamp, who replaced another man on the program. Mr. Oskamp said that the fire lines are easily taught and that prospects easily understand them. He said he finds that certain fire lines, especially the household contents line, can be sold over the telephone. He said that thousands of economically competent people in a city like Chicago have no household furniture coverage, largely because no one has ever brought to their attention the necessity for such coverage. He said that few interviews should be permitted to go by without the agent's mentioning fire insurance. He said also that the use of the fire lines more often than not will pay for the "blank" first call that is made on some other form of coverage.

Boyd's Address Feature

Easily the feature of the morning session was the address given by W. E. Boyd, Jr., supervisor of agency field service for the Travelers Fire. His subject was Suggestions for Increased Sale of the Travelers Fire Lines," and he thoroughly covered the entire subject of fire insurance and gave instruction in terms that any agent could understand. Mr. Boyd formerly was a local agent of Buffalo, N. Y., and is thoroughly conversant with all fire lines, including the so-called side lines. More than that, he has the ability to extract the essence from all possible comment on each of the lines and present it in an A.B.C. manner that still is sufficiently spiced with comment and illustration to prevent its being dry.

Mr. Boyd opened his address by reviewing recent developments in the matter of fire and casualty company mergers and running-mate agreements

(CONTINUED ON PAGE 40)

**NEW ELECTRICAL FIELD
SECRETARY APPOINTED****TOUSLEY SUCCEEDS CANADA**

Incumbent Is Widely Known in Power Circles and Is Competent Engineer—Chicago Is Headquarters

Victor H. Tousley of Chicago has been appointed electrical field secretary of the National Fire Protection Association, succeeding in this capacity W. J. Canada, who held the position for several years.

Appointment of an electrical field secretary several years ago was welcomed by all those who were interested in the history and development of the national electrical code and experience has shown that the work of such an engineer was productive of very useful results in the direction of securing greater uniformity in the application of the code and as a means of constant and intimate communication between electrical inspection departments, both of the underwriters and of municipalities throughout the country with the electrical committee and its sub-committees.

The electrical field service committee of the National Fire Protection Association therefore, upon the resignation of Mr. Canada to accept a position with the National Electrical Manufacturers Association, sought another man whose knowledge, acquaintance and experience would best qualify him to carry on this important work.

New Incumbent Well Known

Mr. Tousley will temporarily have an office at Underwriters' Laboratories, 207 East Ohio street, Chicago. He is widely known throughout the country in electrical circles. He has been associated with the department of gas and electricity of the city of Chicago for the last 25 years and for the last 15 years has been chief electrical inspector of that department.

He was graduated from the Armour Institute of Technology, Chicago, as electrical engineer, is the author of a series of books on electrical construction, and has been a frequent contributor to technical magazines.

He has for many years been an active member of the Western Association of Electrical Inspectors, of which he was president from 1910-1912. He has been a member of the electrical committee (national electrical code) of the National Fire Protection Association for the last 15 years, during which time he has served as a member or as chairman of many of the more important sub-committees. He is a member and past president of the Electric Club of Chicago.

**CRUM & FORSTER BUYING
UNITED AMERICAN STOCK**

NEW YORK, April 18.—A substantial interest in the United American of Pittsburgh has been secured by Crum & Forster of this city, who are offering all shareholders the same figure for their stock as that paid for shares already purchased.

The present executives of the Pittsburgh company will continue and there will be no removal of the office. Organized in 1873, the United American has restricted its business very largely to the western section of its home state. At the beginning of the present year it reported a capital of \$300,000; assets of \$1,318,543; premium reserve of \$660,476, and net surplus of \$261,527. Its net premiums in 1927 were \$579,400. C. H. Geilfuss is president of the company and E. P. Niebaum secretary.

President J. R. Gardner of the Merchants Fire of Denver was a visitor in Detroit last week.

**U. S. CHAMBER GROUP
TO DISCUSS INSURANCE****MEETING DATE IS MAY 7-11**

Leading Insurance Representatives from All Over Country Invited to Attend Annual Sessions

WASHINGTON, D. C., April 18.—Promoting prosperity through insurance will be the theme of a special insurance group session to be held during the annual meeting of the Chamber of Commerce of the United States here May 7-11.

Leading insurance representatives from many parts of the country have been invited to attend this meeting. H. A. Smith, chairman of the National Chamber's insurance advisory committee, will preside and will deliver an address on "Insurance Service, 1927-1928." He will discuss the work of the insurance advisory committee and the Chamber's insurance department last year. One of the main functions of the department is to bring business men and insurance into closer contact in order that each group may better understand the problems and viewpoint of the other. Mr. Smith will indicate the progress made in this direction, showing how, through teamwork, insurance has been helpful and business helpful to insurance.

"Insurance and the State" will be presented by Clarence C. Wysong, Indiana commissioner. Because insurance is not interstate commerce, it is a subject for state supervision and regulation. Mr. Wysong is well qualified to discuss the relationship between insurance and the state. While his address will be of particular interest to insurance men, it should likewise appeal to any one engaged in business, because Mr. Wysong's viewpoint will be that of a state supervisory official.

The third and concluding address will be delivered by Ralph S. Child of Bonbright & Co., New York. His subject will be "Insurance and the Public," with special reference to investments. The annual premium income of insurance companies today is \$4,200,000,000, and they have assets of more than \$15,000,000,000. Insurance not only serves its primary purpose of indemnifying its policyholders in the event of loss, but also assists in promoting prosperity through the investment of this tremendous sum, thereby providing needed capital for industrial and commercial enterprises. It is the latter phase which Mr. Child will discuss.

Following the addresses there will be an opportunity for discussion, introduction of resolutions and for miscellaneous business.

Vancouver Candidate Withdraws

John L. Noble, Vancouver, B. C., who was placed in the running for a position on the grand nest of the Blue Goose by the British Columbia pond, has withdrawn from the race. Mr. Noble notified his pond that he could not accept the honor as candidate for a grand nest position. The pond is to hold a meeting April 23, to elect delegates to the grand nest meeting at Montreal and to nominate another candidate for the grand nest to take the place of Mr. Noble.

Wysong University Speaker

Clarence C. Wysong, Indiana insurance commissioner, addressed the insurance classes of the school of commerce at Indiana University at Bloomington last Friday. He spoke on the general topic of insurance.

Simon Koontz' Father Dies

Simon Koontz, Jr., formerly Indiana special agent of the Automobile of Hartford and now manager of the insurance department of the St. Joe Valley Bank at Elkhart, Ind., is receiving sympathy of many friends in the death of his father.

**HEARING ON KENTUCKY
RATE INJUNCTION HELD****STATE ASKS FOR DISMISSAL**

Companies' Motion to Make Order Permanent Is Taken Under Advisement—Expect Decision Soon

In the hearing in federal court at Covington, Ky., on petition filed by the Agricultural Fire and 112 other plaintiffs, asking the court to make permanent the injunctions restraining Clell Coleman, state auditor, and others from interfering with them in the enforcement of an increase of 12½ per cent in the premium rates, the Potomac Fire, which is not a Kentucky corporation, and the Liberty Fire and the Henry Clay Fire, which are Kentucky companies, filed amended petitions asking that they be accorded the same privilege. The Agricultural and its 113 co-plaintiffs ask for this injunction on the ground that they must have the raise to make expenses and pay a fair income on their business, while the Potomac and its 38 co-plaintiffs ask for the injunction to keep from losing money on business in that state.

State Wants Injunction Dissolved

Simultaneously Guy H. Briggs of Frankfort, representing the state, made a motion to dissolve the temporary injunction granted March 14, and overrule the motion for permanent injunction prayed for on the grounds that the companies cannot increase their rates without the sanction of the state auditor and other officials named in the statute and that under the ruling in the Missouri and Kansas cases by the United States Supreme Court the federal court had no jurisdiction to try this case.

Mr. Briggs further contended that the aggregate experience and method of tabulation used by the companies in arriving at the conclusion that an increased rate is necessary, as presented to this court, is different from that submitted to former Auditor Shanks, who decided that the companies could not have the increase. Mr. Briggs insisted that under the law of Kentucky if the auditor finds that a company is losing money he has authority to grant it an increase, and therefore the experience of the companies doing business in this state should be submitted as individuals and not in the aggregate.

The judges hearing the arguments are Charles H. Moorman of the United States Court of Appeals, A. M. J. Cochran of the eastern district of Kentucky and Charles I. Dawson of the western district of Kentucky. A decision is expected in a short time.

Cunneen in New Post

Terrence F. Cunneen, whose appointment as manager of the insurance department of the United States Chamber of Commerce was recently announced, formally resigned as third deputy superintendent of the New York insurance department on April 16, leaving for Washington to assume his new duties the following day. Those who have attended hearings conducted by Mr. Cunneen speak in the very highest terms of his ability in such connection, and predict that he will prove equally successful in administering the affairs of his present important office.

Reed on Trip Abroad

W. D. Reed, vice-president of the Northwestern National, Milwaukee, has left with Mrs. Reed for a two months' visit in the British Isles. They will make their headquarters in London and will take trips from there to various parts of Great Britain. They will also visit Switzerland, going by way of Paris.



Put yourself on your county map with ATLAS!

Not so long ago some other insurance agents were known just as insurance agents. Then they heard about ATLAS. They inquired more about this company and the automobile insurance in which it specialized. They obtained an ATLAS agency contract.

Then what?

These agents worked automobile insurance a little harder than ever before. They found that it paid. And now many of these ATLAS agents are known in their counties as "specialists" and leaders in their line of business.

Complete coverage in one policy; prompt and satisfactory claim service; the assistance of a friendly personnel; an agency contract that recognizes their services and interests (more than most contracts do) fully and completely—all these are benefits of ATLAS specialization.

Why not be the leader in your county? ATLAS can show you how to put yourself on your county map as a specialist in automobile insurance. Write and ask for the complete details of the ATLAS agency contract.

Atlas
Casualty Company
EXECUTIVE OFFICES
Fort Wayne, Indiana

OPERATING IN INDIANA, ILLINOIS, OHIO, MICHIGAN,
MISSOURI AND PENNSYLVANIA

HOW A LOUISVILLE BANK HELPED THE LOCAL BOARD PUBLICITY

LOUISVILLE, April 18.—In view of the fact that some local banks have insurance departments, and others have been reported as contemplating such departments, a window display and stand made by the Union Central Bank, in the Starks Building, Louisville, appealed quite strongly to the insurance interests.

In this display panorama photos were used to show the great San Francisco fire, one scene showing the fire and the other its effect.

Another card read: "Is Your Home Fully Protected? Consult some member of the Louisville Board of Underwriters."

Another card read: "Fire is man's worst enemy. Ask your fire insurance

agent if you are adequately insured."

The keynote card read: "We heartily endorse the practice and policies of the Louisville Board of Fire Underwriters."

A great many people stopped and looked at the photos, and did a little thinking.

This is the first and only bank in Louisville to come out and take a stand endorsing the Louisville Board, and the compliment went over big with the underwriters.

The display was to be run throughout the week. A photo of the display was sent to each agency along with a letter in which the bank was offering its cooperation with board members. It was enthusiastically praised.

COMMISSIONER CALDWELL FOR AGENTS' ORGANIZATION

GAINESVILLE FLA., April 18.—A. S. Caldwell, insurance commissioner of Tennessee, and president of the National Convention of Insurance Commissioners, expresses the opinion that it is good for all departments of the business for agents to be organized, in a letter to Acting Secretary Hervey W. Laird, of the Florida Local Underwriters Association, on the eve of the Florida state convention at Gainesville, April 20 and 21, in which he says:

"I am in hearty accord with the organization of these associations. I believe that it is one of the best ways to bring about the betterment and uplift of the business.

Local Associations Beneficial

"I feel that local associations are always beneficial where they are properly run and where selfishness does not enter too much into them, and where they have meetings to discuss methods for the benefit of the business and to bring about higher standards."

The commissioner also feels that this kind of effort is entitled to "the earnest cooperation of the several companies represented," and in his opinion "the company officials are looking with greater favor upon such organizations," which can be of much service in the up-building of the insurance profession, "if they stand for the right principles and the enforcement of the law and do not let selfishness enter into their plans." So far as his own state is concerned Mr. Caldwell finds:

Standards Have Been Improved

"In Tennessee these organizations have been very beneficial to this department in keeping us posted as to conditions in the several localities, and we feel that it has been of great benefit to the profession, and the personnel of the agencies has improved very greatly from this in the last few years."

POWER COMPANY TAKES BIG INSURANCE LINE

CORAL GABLES, FLA., April 18.—Fire insurance amounting to more than \$17,000,000 has just been placed by Florida Power & Light Company through its Miami office. The policies were placed with local agents in 35 cities in Florida where the company has plants. Because of the wide area covered the risk is considered excellent. Improved conditions in buildings reduced the rate from that of two years ago. E. H. Reynolds, insurance manager for the power company states the rate is made up in compliance with the manual of the Southeastern Underwriters Association after two years reconstruction work. The final rates were determined after applying usual credits and penalties. The annual premium is \$700,000, the largest ever placed in south Florida.

MILWAUKEE OFFICIAL SEES BUSINESS OUTLOOK BETTER

MILWAUKEE, April 18.—Belief that the fire insurance business has turned the corner on heavy losses and decreased premiums has been expressed by one of the officials of a Milwaukee fire company. While losses were heavy the first quarter of the year and premiums fell off, he believes that fire insurance will see better things the next few months. This company has noticed an increase in premiums so far in April, which is bringing the month up to the same month of 1927. There has been a corresponding decrease in the losses also so far this month.

Much Moral Hazard

That there is a considerable moral hazard involved in the business this year in all parts of the country, is the contention of this official, who pointed out that when general business conditions slow up moral hazard is bound to be a factor.

He said that losses are naturally heavy during the winter months and it has often happened in other years that losses the first three months of the year have been over-balanced by the good experience the rest of the year. While making no predictions that such will be the case this year, he looks on the future months with a good degree of optimism.

TO OPEN NORTHWEST BRANCH

Liverpool & London & Globe Will Establish a Service Office in Seattle With Guerraz Manager

SAN FRANCISCO, April 18.—The Liverpool & London & Globe and Star will establish a branch office in Seattle May 1 to serve the agency organizations in Washington and the Panhandle of Idaho, according to an announcement this week by Thomas H. Anderson, Pacific Coast manager. George Guerraz, for several years assistant manager, will have charge of the office, which is to be known as the "Northwest Branch." All local agencies will continue as heretofore, except for the added advantages such a company office within easy reach will mean to them in the promotion and conservation of their business. Mr. Guerraz will have several members of the Pacific department staff with him in Seattle together with all data and records heretofore kept in San Francisco.

Mr. Anderson in establishing the branch company office followed his firm conviction that the importance of the territory merited this recognition and greater facilities. It is understood that the agents in that territory have expressed their hearty approval of the plan. The new office to be located in the Alaska building.

COMPLETES HISTORIC FIRE MARK COLLECTION

USED IN COLONIAL TIMES

North America Exhibits 35 Marks
Which Designated Houses Insurance
Fire Brigade Should Protect

The North America, oldest American fire and marine company, has just completed a collection of early American fire marks which is believed to be one of the most important extant. Certainly, it is the most complete, since it includes original marks used by virtually all of the important early American companies, organized in the colonies to "insure houses against loss by fire."

The collection has been catalogued and placed on public exhibition in the North America's museum on the Parkway, Philadelphia, where are also on view interesting historic documents relating to early activities of the company and preserved by it since its organization in 1792 in the same room in the old state house in Philadelphia where the Declaration of Independence was signed.

Taken from Old Homes

The 35 marks in the collection were taken from old homes, principally in Philadelphia and its environs, where they were placed, beginning early in the 18th century, by the various fire brigades maintained at that time by the several insurance companies. The marks were used to designate in which particular company the property was insured. In event of fire, the fire brigade of that company was pledged to "stand by" and help fight the flames.

To make sure the fire brigade would confine its fire-fighting energy to property insured by its own company, the marks were nailed on the front of the building, each mark different in design and each representing a different company. In case of fire the brigade maintained by the company whose mark was on the building was responsible for putting it out.

Another use of these old marks was that the men who actually put them on the houses, could verify statements of the assured regarding the condition of his property, its fire hazards, location, etc.—a job that, beginning with 1705, was delegated to surveyors or inspectors. In a word, the original fire brigade members were the first fire insurance inspectors.

BROKERS IN TROUBLE OVER UNLICENSED COMPANIES

BOSTON, April 18.—The broker's license of Hellstrom & Co., of Worcester, as covering its treasurer, John O. Hellstrom, has been suspended for 30 days upon charges preferred against the agency and Hellstrom, alleging that he procured insurance in the Anchor Investment & Insurance Corporation, an unlicensed company. It is alleged that Hellstrom, acting for the firm of which he is treasurer, procured a policy in the Anchor, and that insured was unable to collect a loss under the same. Hellstrom was found guilty, paid the insured \$250 which she claimed to have been unable to collect under the policy and had his license suspended.

Another broker's license has been suspended by the department for similar negotiations. Thomas B. Feeney, a broker of Lynn, procured two policies for James Savola of Lynn in the Anchor company and the Eastern Insurance Co. from the North American Agency of Newark, N. J., neither company being admitted to Massachusetts. The insured was unable to collect and Feeney was compelled to pay \$200 on the loss and has his broker's license suspended for 30 days.

CARELESS METHODS CAUSE OF MOST PYROXYLIN FIRES

MICHIGAN SAFETY CONGRESS

Duco Man and Commissioner Livingston Say Proper Use of Lacquer Eliminates Hazards

LANSING, MICH., April 18.—Valuable educational work which is expected to have some effect in the reduction of hazards in many insured lines was accomplished at the second annual Michigan Safety Congress here last week.

From an insurance standpoint one of the most interesting meetings was of the spray-coating section. Commissioner Livingston was one of the main speakers before this group, emphasizing the fact that careless methods used in spray painting more than the materials used are the source of danger from fire and explosion. He said, in his capacity as state fire marshal ex-officio, insurance commissioner and one of those who helped frame a set of adequate regulations for use of pyroxylin lacquers following the costly Briggs disaster in Detroit: "The degree of hazard in spray painting is determined by the degree of cleanliness maintained in the shops, the quantity of finishing materials consumed reflecting the magnitude of the operations, the continuity of the spraying operations, character, design, and maintenance of the equipment and the nature of the adjacent occupancy that may be exposed by these operations." The main causes of explosions and fires from pyroxylin, he said, are: electric lighting defects, presence of accumulations of inflammable solvents in painting rooms, insufficient cleaning, poor ventilation, and imperfect exhaust fans. He summarized the new regulations and recommended that spray painting be done in detached buildings to minimize the fire hazard and confine it to a single building rather than an entire factory.

Manufacturers' Representative Speaks

Another speaker before this section was Harold L. Miner, manager of safety and fire protection division of the E. I. DuPont de Nemours Co., makers of Duco. He denied that pyroxylin lacquers are inordinately dangerous when properly handled and maintained that the Briggs disaster has had a tendency to exaggerate the peril from this source and has brought about extreme regulations which are tending to handicap the use of these popular finishing materials. That the danger has not been exceptional, he said, has been proved in Michigan where hundreds of factories have used pyroxylin lacquers without mishap though not supplied with proper equipment for its use, while homes have also made use of the product extensively with few instances of accident.

Clyde B. Smith, member of the National association executive committee and prominent Lansing agent, was chairman of the registration committee, for the congress.

North Carolina Agents Elect

Meeting last Friday in Greensboro, the North Carolina Agents Association held its regular monthly session. Merlin Schenck, Greensboro, was elected president for the ensuing year, and Robert B. Scott, Greensboro, was named secretary.

Decision was made to enforce the periodic inspection of business districts in all North Carolina towns and cities as an aid in determining how much insurance should be allowed on each building and also as a measure on prevent fires. The recent entry of Greensboro into the ranks of cities with first class risk classification was also recognized and ways of getting the new rates speedily effective were discussed.

There were 150 or more representatives present from various North Carolina cities. The next meeting will be held in Greensboro on May 11.



COVERAGES EFFECTED

FIRE,
AUTOMOBILE,
TORNADO,
RENTS,
LEASEHOLD,
EXPLOSION,
RIOT and CIVIL
COMMOTION,
PROFITS AND
COMMISSION,
USE & OCCUPANCY

AUTOMOBILE FULL COVERAGE

It's human nature to trust a company that numbers its years by the hundreds.

Nobody who knows insurance doubts the stability of The Sun of London, the oldest insurance company in the world.

Nor need one doubt the soundness and strength of the Patriotic Insurance Company of America, an allied organization of The Sun.

If you are looking for a rapidly growing company to add to your present list, consider the Patriotic. Remember that

"Back of The Patriotic is The Sun."

PATRIOTIC INSURANCE COMPANY of AMERICA

HEAD OFFICE
55 FIFTH AVENUE, NEW YORK

OSWALD TREGASKIS, President

WESTERN DEPARTMENT
WRIGLEY BLDG., CHICAGO
JOHN F. STAFFORD, Manager

PACIFIC DEPARTMENT
SAN FRANCISCO
G. A. HENRY, General Agent

CHANGES IN THE FIELD

FOUR APPOINTMENTS MADE

W. G. Matz, J. B. Hotaling, J. E. Higgins and William J. Decker With Corroon & Reynolds

Walter G. Matz has been appointed New York state agent for the Brooklyn Fire outside of the suburban and metropolitan territory. The company is one of the Corroon & Reynolds fleet. Mr. Matz' headquarters are at 331 University building, Syracuse. The new state agent is also state agent for the Republic Fire of Pittsburgh and will work in conjunction with that company in handling the Brooklyn.

Hotaling Has Group

J. B. Hotaling has been appointed New York state agent in the same territory as Mr. Matz for all of the Corroon & Reynolds companies with the exception of the Brooklyn Fire. His headquarters will be in the same office with Mr. Matz. For some time he was state agent for the Pittsburgh Underwriters in the same territory he will cover for the Corroon & Reynolds companies.

J. E. Higgins has been appointed eastern Pennsylvania special agent for all of the Corroon & Reynolds companies. His headquarters will be at Pottsville. Mr. Higgins has had considerable field and local agency experience. When the Merchants & Manufacturers and the Brooklyn Fire are licensed in Pennsylvania, he will handle these companies in addition to the Corroon & Reynolds companies already entered in the state.

William J. Decker, formerly State Assurance special agent, has joined the Corroon & Reynolds organization as New York suburban special agent.

Robert K. Johnson

Robert K. Johnson has been appointed special agent for the American of Newark for northern Illinois, with headquarters at Rockford. Mr. Johnson for a number of years has been connected with the Illinois Inspection Bureau. His knowledge of rate making, inspections and his wide acquaintance among the agents will be most valuable in his new line of work.

In addition to Mr. Johnson, State Agent Tetlow will have the following assistants in Illinois: Samuel B. Ridgway of Centralia in southern Illinois, W. L. Schreiber of Peoria for central Illinois and J. B. Fuller of Rockford covering northern and central Illinois territory for the survey department.

Frank C. McElroy

Frank C. McElroy, formerly Kansas and Missouri state agent of the Marquette National Fire, has returned to Chicago to become state agent of the General of Seattle in Wisconsin and Illinois.

M. J. Lafon

M. J. Lafon, formerly connected with the North America as special agent in Arkansas, is now connected with the general agency of C. F. Cunningham, Little Rock, Ark., handling the Detroit Fire & Marine and New Brunswick Fire.

W. H. Wagner

Under the recently effected rearrangement of the field force of the Allemannia of Pittsburgh, State Agent W. H. Wagner, who previously covered New Jersey and a section of eastern Pennsylvania, now takes over Philadelphia and Philadelphia suburban and eastern Maryland in addition to New Jersey, reporting to Crum & Forster in New York City, instead of to the home office of the company at Pittsburgh as heretofore.

McCLURE WITH STUYVESANT

Well Known Field Man To Take Supervisory Charge Over the Central West States

W. D. McClure, of Chicago, state agent of the Northwestern Fire & Marine and Federal of New Jersey in Michigan and Illinois, has resigned to become executive special agent of the Stuyvesant, traveling over central western territory. The Stuyvesant has not had a field representative in the central west but is now desirous of giving more service to local agents and extend its operations. Mr. McClure is a product of the head office of both companies at Minneapolis, where John H. Griffin is manager. He is a son of John McClure, veteran general adjuster for the St. Paul Fire & Marine. Mr. McClure has traveled out of Chicago for the last year or so. In his new connection he will have his headquarters at Joliet, Ill., where he resides. His Chicago quarters will be with the Rollins-Burdick-Hunter Company.

H. B. Shepard

Harold B. Shepard has been appointed special agent of the Northern of New York and New England with headquarters at Boston. He succeeds R. C. Cairns, who has become special agent of the Providence Washington. Mr. Shepard was formerly with the Springfield.

James D. Lecky, Jr.

James D. Lecky, Jr., of Richmond, Va., has been appointed special agent of the Royal Exchange in Maryland and District of Columbia and the State Assurance and Provident Fire and Car and General in Maryland, District of Columbia, Virginia and North Carolina. Mr. Lecky has been in the local business in Richmond.

R. C. Boswell

Robert C. Boswell has been appointed special agent for Virginia for the Travelers Fire with Richmond headquarters, working under John A. Gibson, manager for the company in Virginia. Mr. Boswell was previously a salesman for the British-American Tobacco Company at Colon, Panama. He is a native Virginian.

C. E. Ducharme and Nay Cochrane

Under the division of the Ohio field recently determined upon by the Northern of New York, Special Agent C. E. Ducharme will travel the northern half of the state making headquarters at Cleveland, while Nay Cochrane, radiating from Cincinnati will supervise the southern section. Mr. Ducharme has represented the company in Ohio for several years, while Mr. Cochrane is a newcomer in its service, having previously been connected with the National Inspection Company of Chicago.

Clarence A. Hawk

The Western Fire of Fort Scott, Kan., announces the appointment of Clarence A. Hawk of Hamilton, O., as state agent for Ohio. He traveled in Ohio for four years as special agent for the Fireman's Fund, previous to which time he was engaged in the local business. Something over a year ago he resigned his position with the Fireman's Fund to engage in real estate. He has had an excellent training, including practical experience in building construction. His headquarters for the time being will be at Hamilton.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

NEW SECRETARIES NAMED

R. J. Kastner and R. R. Wilde have been elected assistant secretaries of the American Equitable Assurance, the Knickerbocker and the New York Fire.

RAIN ASSOCIATION ELECTS

John P. Hollerith of the North British & Mercantile was reelected president of the Rain Insurance Association in New York. R. R. Baker is resigning to engage in the practice of law and hence S. Lindsay of the American of Newark was elected vice-president in his stead. Arnold Grasse of the Home was re-elected secretary and treasurer. The executive committee will meet May 9.

BROOKLYN FIRE'S CAPITAL

The Brooklyn Fire stockholders approved the action of the directors in increasing the capital to \$1,000,000. The stock was sold at a premium so that \$1,200,000 additional funds were provided. Of the amount subscribed \$400,000 went to capital and the rest to surplus. This gives it \$4,600,000 assets, capital \$1,000,000, unearned premiums \$1,100,000, contingent reserves and surplus \$2,500,000. Richard A. Corroon of Corroon & Reynolds, underwriting managers of the company, gave a dinner to the directors and executive officers last week.

SLATE FOR THE EXAMINERS

The New York Examining Underwriters Association will hold its annual meeting May 1. The nominees are: President—Stephen E. Parker, American of Newark; vice-president—J. B. Hamilton, Great American; secretary—Charles J. Purcell, Yorkshire; treasurer—Stanley R. Gumpert, Importers & Exporters.

APPAREL CONTRACTORS' RISKS

The loss committee of the New York Board has issued a report for the first quarter of the year showing that there is much improvement on losses on apparel contractors risks. Since Jan. 1, the committee has had before it 104 losses involving \$61,726. Of this number 92 were under adjustment or investigation at the end of March. The committee took charge of all apparel contractors' losses April 28, 1923. Up to Jan. 1, it has disposed of 3400 claims with losses amounting to \$4,274,280. Figures for the first quarter of 1928 show 35 fires involving 11 losses as compared with 50 fires involving 163 losses, for similar months a year ago.

UNDERWRITER FOR PAVONIA

James A. Metz, who assumes the vice-presidency and general underwriting management of the newly formed Pavonia Fire of Jersey City, was for many years identified with the J. S. Frelinghuysen general agency of New York City, and has a good general knowledge of fire insurance conditions the country over.

PROMOTING SUSSEX FIRE

The Lippman & Lowey Company of Newark, which in recent months successfully organized the Ajax Fire and the Essex Fire, as well as the Essex Fidelity & Plate Glass, is now promoting the Sussex Fire, incorporated under the laws of Delaware. For the last named company a capital of \$500,000 and a surplus of \$2,000,000 is proposed. Its officers will be the same as those now in charge of the Ajax Fire.

ROYAL GETS THE PRIZE

To the Royal was awarded first prize by the Downtown League, for the finest commercial building erected in the downtown locality of New York City during the past year. The structure is 19 stories high and is of the late English Renaissance type. In addition to the Royal, it serves as the United States

headquarters for a score of important fire and casualty companies and is equipped with every modern device making for the comfort and safety of its tenants.

* * *

HENRY W. IVES DIES

Henry W. Ives, head of the prominent agency firm of Henry W. Ives & Co. of New York City, died in London April 12. He had been ill for some time but felt sufficiently recovered to sail for England to attend a pressing business matter, early in the month. Though but 45 years of age Mr. Ives was a notable figure in underwriting circles for a considerable time, having started in business for himself as a member of the firm of Ream, Ives & Wrightson in 1910. Subsequently he became senior in the firm of Ives & Baird and more recently in the firm of H. W. Ives & Co. The office specialized in supplying rain insurance covers and in excess compensation lines. The business of the firm will be continued, its every department having been well organized by Mr. Ives some time ago.

* * *

NEW YORK MARCH LOSSES

The fire loss in New York City in March, according to a tabulation of the New York Board, was greater by 37 percent than that reported in the same month last year. The 1928 and 1927 returns were \$1,768,736 and \$1,293,598, respectively.

* * *

REPORT ON EXAMINATION

In reporting the result of their investigation of the American Merchant Marine of this city, examiners of the New York department criticize the disposition of the company's management to invest in the securities of navigation companies, noting especially the endorsement of promissory notes of two such concerns, thereby placing the insurance company practically in the steamship business in these two instances.

* * *

APPROVE FIREMENS INCREASE

Stockholders of the Firemens of Newark, representing more than 80 percent of the total number, at a meeting Monday unanimously favored increasing the company's authorized capital from \$10,000,000 to \$15,000,000. At the same time the proposals made by the Firemens to stockholders of the Metropolitan Casualty of New York, and approved by directors of the latter corporation, were fully explained.

* * *

LAHR WITH NATIONAL LIBERTY

Harry F. Lahr, associated with the Northern of London in its specialty department here for the past three years, and prior thereto for a time special agent in Illinois for the Commonwealth of the North British group, has become manager of the brokerage department in this city of the National Liberty.

* * *

POOL HEADS SUBURBAN EXCHANGE

H. S. Pool of the Home was elected president of the Suburban Fire Insurance Exchange at its annual meeting. Other officers chosen were: Percy Ling, Commonwealth, vice-president; W. Frederick Chase, secretary, and Wilbur L. Chambers, North British & Mercantile, treasurer.

* * *

ADOPT BUFFALO RULE

Members of the executive committee of the Eastern Underwriters Association have approved the brokerage rule recently adopted by the Buffalo Board.

* * *

LAUNCH REINSURANCE COMPANY

Incorporation of the American Fire Reinsurance Company of this city is announced. This is understood to be the

Hotel Directory

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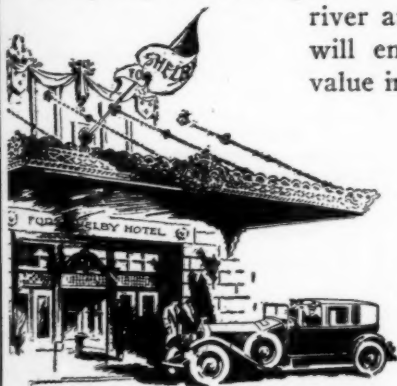
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Whether your choice be one of the many very comfortable rooms at \$2.50, \$3 or \$4 or one of the richly furnished suites in the 22-story recent addition, whose sunny bay windows give an entrancing view of city, river and Canadian shore, you will enjoy a special sense of value in Hotel Fort Shelby.



All rooms have Servidors. Convenient to all downtown; principal shops almost at the door. Garage in connection; cars delivered without service charge. Excellent facilities for conventions.

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Two Squares from Chicago's Insurance Center

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Dearborn Street from Jackson to Quincy
CHICAGO

The "Comfortable Great Northern" is in Chicago's central business section, within one block of State Street, the great shopping thoroughfare, and close to the theater, financial and wholesale districts.

400 Large, Bright, Livable Rooms, \$2.50, \$3, \$3.50, \$4, \$5, and a few extra large corner rooms at slightly higher prices. For two persons in any room the additional cost is only \$1 a day. No extra charge over main restaurant prices for service of meals in guest rooms.

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first of five institutions of similar character the organization of which is being

considered by various banking and insurance interests of the Metropolis.

AS SEEN FROM CHICAGO

JANE LUCE HAS RETURNED

Western Manager Fred B. Luce of the Providence Washington following the Western Union meeting at Atlanta, Ga., went to his head office in Providence, and later went to New York to meet his daughter, Miss Jane Luce, who has been abroad for several months.

CHICAGO BOARD MEETING

At the quarterly meeting of the Chicago Board, Frank S. Danforth, secretary of the Millers National; J. R. Wilbur, western manager of the America Fore companies; James M. Newburger and Oscar E. Aleshire were elected members of the executive committee. A resolution was passed urging the Western Union and Western Insurance Bureau to join with the Chicago Board in a plan to check unreasonable competition in fire insurance in Cook county. The resolution had been passed by the executive committee and sent to the Western Union that was meeting in Atlanta last week. It will now go to the

Western Insurance Bureau. The bureau will be asked to extend the privileges of the floor at its annual meeting next month to Ernest Palmer, general manager of the Chicago Board, as did the Western Union, in order that he may outline the situation in Chicago.

The competition in the Class 2 district has become very keen and there is considerable bidding for business. At the meeting of the Western Union, the resolution passed there pledged the members not to engage in demoralizing practices. The Chicago Board resolution in part said: "Effective support accorded to the Board could not fail to aid in the regulation and stabilization of all acquisition costs. The committee believes you should know that in conference with the Western Insurance Bureau and Western Union committees, recognition was accorded to the principle of uniformity and acquisition expense to all members of Class 1 of the Chicago Board. If support is now forthcoming from the Western Insurance Bureau and the Western Union

A FIELD MAN'S OPPORTUNITY

An old, American Insurance Company has an opening for an experienced field man. Our classes may be different from the ones you know, but you can learn them. We want a man who will learn and who can sell our organization to agents in the Central West. There would be considerable traveling in about ten states. Our field presents, we believe, greater opportunity for you than the usual lines. Apply in writing, stating fully your qualifications, connections, education, age and salary expected. Your letters will be strictly confidential. Address F-14, care The National Underwriter.

OPPORTUNITIES

POSITION WANTED

By An

AI INS. ACCOUNTANT-AUDITOR
STATISTICIAN AND SYSTEMATIZER

Address F-17, care The National Underwriter.

SPECIAL AGENT

Thoroughly familiar with Fire and Casualty lines; and local, home office and field experience. At present employed but desires change. Any references desired. Address F-19, care The National Underwriter.

WANTED

Traveling solicitor and special agent for general fire business. Good opportunity with large group of Mutual Companies. SOUTHEASTERN AGENCY, Nashville, Tennessee.

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555 Asylum Street
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Address all Mail to Lock Drawer No. 68

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Suggest our service to your smaller concerns. And remember:—The low cost is no criterion of its real value.

"WHAT IS AN APPRAISAL?"—It is a complete classified inventory of insurable property (except stock, merchandise and raw materials). Each item of property is valued at today's cost to replace new. The amount of accrued depreciation is determined and the sound insurable value is given.

"ITS ADVANTAGES"—1st—It discovers insurable values that have long been written off the books through unscientific depreciation—2nd—It gives the agent, the assured, and the companies value facts of property. 3rd—It makes for adequate insurance protection, for in nearly every instance it calls for additional insurance.

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JAS. M. TEAHEN, Treasurer

WYNN C. GEROW, Secretary
M. E. BLACK, Assistant Secretary
ROBERT R. BUCKNELL, Assistant Secretary

and their members they may safely look to the Chicago board for cooperative action. On the other hand failure to take immediate steps to curb the present unbridled competition in Cook county, would be indeed serious. The executive committee of the Chicago Board can do no less than call this situation forcibly to your attention.

MATHEWS TO GO TO COAST

T. Erskine Mathews of Chicago, for many years connected with the western department of the Commercial Union in an executive capacity, and on his resignation being superintendent of agents, is taking up his permanent residence in southern California.

McNAMARA IS IN CHARGE

Following the announcement made last week of the retirement of Fred A. Rye as western manager of the Commercial Union group at Chicago, the Commercial Union and its allied companies have placed N. A. McNamara, who has the title of assistant manager, in charge of the department. Mr. McNamara will be assisted in the management by General Agents R. D. Flinn and O. C. Gleiser.

The intimate association of these men

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Cutting in on a large line or special hazard is no easy matter.

Caring for the line after you have it is a responsibility.

In such cases outside sales help may do you some good.

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with their respective territories—their knowledge of underwriting conditions—their pleasant relations in field and office—give promise that the policy of the Commercial Union and its allied companies will be continued as heretofore.

DEATH OF CHARLES F. PERSCH

Charles F. Persch of Los Angeles, for many years secretary of the Illinois State Board, died at his home last Sunday. He had a stroke on Easter day and did not recover from its effects. Mr. Persch left the Illinois State Board in 1914 to make his home in California. For a while he was in the real estate and insurance business at Alhambra, a suburb of Los Angeles. One daughter, Mrs. Charles F. Buehler, resides in Chicago and was called west when her father was stricken. Another daughter, the wife of Dr. Harry M. Brandle, resides in Los Angeles.

Mr. Persch was born in Buffalo, Feb. 7, 1856. He started his insurance career at the head office of the German of Buffalo in 1872. For a year or so after that he was connected with the Marine Bank of Buffalo. Then he entered the insurance agency of Smith & Davis of that city. He went to Chicago in May, 1877, and became connected with the office of the Traders of that city. A year later he associated himself with the western department of the Springfield Fire & Marine, remaining with that company in the office and field until he was elected secretary of the Illinois State Board, February, 1894.

Mr. Persch won his great reputation as a rater and an organization man with the Illinois State Board. During the time he was connected with it, he had charge of the rating activities of the state outside of Cook county. He was a most efficient man, was strictly impartial and dispatched the work with intelligence. His nephew, Earl S. Miller, is manager of the Illinois Audit Bureau of Chicago.

BUSWELL IS RECUPERATING

H. G. Buswell, Chicago manager of the Home of New York, is in the Presbyterian hospital, having undergone a major operation. Mr. Buswell is reported as resting easily and is now on the road to recovery. He has been suffering from an ailment for the last year or so.

WILL ADDRESS EXAMINERS

G. H. Parker, manager of the Kentucky Actuarial Bureau at Louisville, will address the Association of Fire Insurance Examiners of Chicago Thursday evening of this week on "Inspection and Audit Bureaus."

W. S. LEVENS MARRIED

Wilson S. Levens, prominent Chicago adjuster, was married last week, to Rutha Elizabeth Wheeler, daughter of A. M. Wheeler of Minneapolis, general agent in Minnesota for the Old Colony Life, Chicago. The marriage took place in Chicago.

FRED SAUTER'S FATHER DIES

Fred J. Sauter, Chicago local agent and vice-president of the Chicago Board, is bereaved owing to the death of his father, Charles J. Sauter, who was born in Chicago in 1844. The father attended the wigwam convention that nominated Abraham Lincoln for president, in Chicago. He was associated with the Gerts, Lombard & Co., brush manufacturers, for 40 years, retiring as general manager. He is survived by his widow whom he married more than 60 years ago, two daughters and three sons.

HODGKINSON & DURFEE MOVE

Hodgkinson & Durfee moved this week into their handsome new offices at A-1452 Insurance Exchange South, Chicago. This agency recently took the general agency of the Bankers Indemnity of Newark. Hodgkinson & Durfee

have made rapid progress with their agency and have associated with them an excellent organization. Their office was handsomely bedecked with 15 or 20 large bouquets sent in by admiring friends.

The Bankers Indemnity has taken a suite of offices adjoining Hodgkinson & Durfee with entrance at A-1447. J. C. Hyde, the manager, acted as host Monday at opening day. F. E. Wilkins, vice-president and general manager, came on from the home office, having been on a western trip.

* * *

BOWLING LEAGUE JUBILEE

The National Fire, western department, and affiliated companies bowling league completed their schedule of games, April 13.

On the last night of bowling, the National and Franklin National teams were tied for first place. A three game roll-off between these teams resulted in the National's being victorious and winning the championship.

The teams finished in the following positions:

National, Franklin National, Mechanics & Traders, Colonial, Columbia Fire Underwriters, Forest City.

A banquet was held on April 16, when the prizes were distributed. The executive staff of the National presented medals to the winning team and gifts to the three bowlers having the highest individual averages for the season, the recipients being W. Martin, E. Rosow and W. Jilek. J. MacLean had the highest score for the season and W. Martin had the highest three game score for the season. One of the features of the banquet was a jazz orchestra composed of National boys.

* * *

COLLECTIONS REPORTED TIGHT

In different portions of the west the companies report that collections are very tight. Where agents become delinquent to any extent offices find that a letter does but little good. Agents say that people are not able to pay on the dot in many cases and they have to be nursed along.

* * *

INSURANCE STOCK QUOTATIONS

H. W. Cornelius of Lewis, Dewes & Co., Chicago investment house, gives the following insurance stock quotations as of April 16.

Stock	Par	Bid	Asked	Divid.
Aetna Cas. & S.	100	990	1020	\$12.00
Aetna Fire	100	875	885	24.00
Aetna Life	100	850	860	12.00
Agricultural	25	142	146	4.00
Allemania	50	220	...	10.00
Alliance, Pa.	10	81	83	2.00
Amer. Alliance	100	650	660	16.00
Amer. Auto.	10	65	...	...
Amer. Druggists	25	82	85	3.00
American Equit.	5	63	66	1.50
American	5	33 1/2	34 1/2	1.00
American Res.	10	98	102	3.00
Amer. Salam.	50	72	75	...
Amer. Surety	50	323	335	12.00
Automobile	100	410	420	...
Balt. Amer.	10	84	86	1.20
Bankers & Ship.	100	530	550	14.00
Boston	100	1120	1140	18.00
Buffalo	100	425	...	13.00
Camden	5	36 1/2	38 1/2	.70
Carolina	10	68	72	1.40
Cent. West Cas.	50	75	82	...
Chicago F. & M.	10	20	22	...
City of N. Y.	100	690	710	16.00
Colonial States	10	27	29	...
Columb. Natl. F.	25	20	22	...
Commercial Cas.	10	62	64	1.60
Commonwealth	100	760	...	20.00
Conn. Gen. Life	100	1820	1850	16.00
Continental Cas.	10	74	76	1.60
Continental N. Y.	10	85	86	2.00
Detroit F. & Sur.	50	85	90	...
Detroit F. & M.	50	275	325	4.50
Detroit Nat. Fire	25	20	25	1.00
Dubuque F. & M.	100	...	...	20.00
Excelsior	5	13	...	...
Fed. Sur. (new)	100	...	...	...
Fidelity & Cas.	25	205	212	5.00
Fidelity & Dep.	50	287	292	8.00
Fidelity-Phenix	25	208	208 1/2	5.00
Fire Association	10	77	79	2.50
Firemen's Fund	25	121	125	5.00
Firemen's	10	56	57	2.20
Franklin	25	340	360	8.00
Genl. Cas. & Sur.	50	...	...	...
Glens Falls	10	59	61	1.60
Globe & Rut.	100	2760	2800	40.00
Great Amer. Cas.	25	15	20	...
Great Amer. Ind.	10	85	90	1.60
Great Amer. Fire	10	54	56	1.00
Great Lakes	10	...	...	...
Guardian Fire	25	105	110	5.00
Hallifax Fire	10	71	76	.60
Hanover (new)	10	76	78	1.00
Harmonia	10	72	74	1.40

(CONTINUED ON PAGE 50)

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*Is Your Insurance Department Store
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Automobile Insurance Company writing all
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THE NATIONAL UNDERWRITER

Formerly THE WESTERN UNDERWRITER

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105 Montgomery Street Tel. Kearny 3399, FRANK W. BLAND, Resident Manager
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Casualty Figures for the Year

THE total premiums of the stock companies last year on the various casualty lines amounted to \$725,137,742. This business was transacted on a loss ratio of 51 percent. The casualty premiums fell off last year considerably, due partly to the retrenchment in workmen's compensation insurance. For instance, the premiums in workmen's compensation last year were \$132,820,478, as compared with \$162,167,705 in 1926. That would account for a decrease of \$30,000,000 in premiums. The automobile liability premiums also were reduced last year, the total premiums for 1927 being \$132,667,608 as compared with \$152,855,354 the

year before, which would count for another \$20,000,000. The automobile liability business had a loss ratio of 53 percent last year as compared with 56 percent the year previous, which shows a more healthy condition. The workmen's compensation loss ratio last year was 67 percent, which was just about the same as the year before.

Most of the casualty lines held their own or increased some during the year. Burglary had a slump, amounting to \$8,900,000. The aggregate of casualty premiums shows the tremendous interest in the various lines and the possibilities for production in this field.

Value of Casualty Sales Congress

THE Chicago casualty sales insurance congress which will be held next Monday inaugurates a custom that has been followed by life underwriters' associations to good effect. The life underwriters have had their sales congresses during the last few years, bringing to the platform men of acknowledged ability, who can convey their message with pleasing and forceful effect. Much inspirational and educational material has come from these life sales congresses.

THE CHICAGO CASUALTY FIELD CLUB is inaugurating the sales congress in its city for the benefit of casualty men. It deserves their fullest support. The program is an impressive one. Men who know their business and can tell the facts intelligently will be the lecturers. We need more information to enable men to be better masters of their business. There should be more casualty sales congresses in various sections of the country.

Should Link Up with the Outside

At the recent conference of those interested in promoting Illinois Insurance Day, the thought was advanced that insurance is a highly organized business in all its branches. There are associations, conferences, bureaus and committees of all sorts. In many respects it is probably too intensively organized. The mere thought therefore of bringing another convention for insurance people alone strikes us as being decidedly superfluous.

If a state insurance day is worth while it should in some way link up insurance with the outside world. We have enough conventions and conferences already for the edification and enlightenment of those engaged in insurance. What we do need is some platform on which insurance can stand with representatives of other great business organizations,

where mutual problems can be discussed and where some information of value can be given out to those that pay the premiums.

The idea of a great state insurance day was an excellent one. The original purpose was to give a demonstration so that the public could appreciate the magnitude and service of insurance. The people in the business realize that pretty much now. State insurance day should be a time when insurance is able to tell its story to those on the outside and those on the outside may give some constructive advice and suggestions to those in the insurance business itself. We fear in some cases that state insurance days are deteriorating to insurance meetings, interesting only to insurance men. Efforts should be made to bring in the insuring public.

PERSONAL SIDE OF THE BUSINESS

Charles O. Talmage of Omaha and Mrs. Talmage have issued invitations to the marriage of their daughter, Doris Winifred, to Raymond Harris Daniels April 28. Mr. Talmage is manager of the Columbia Fire Underwriters.

R. P. Barbour, United States manager of the Northern Assurance and the London & Scottish, sailed from New York City for a visit to the head offices of his companies in London, April 14, planning to be away some six weeks. The trip will be the first he has made to England since assuming the management of the companies.

Stuart F. Raleigh, who becomes vice-president of the prominent Syracuse, N. Y., agency of Bruns, Raleigh & Munns, is a Princeton University man, popular in social and business circles of his home city, and has had some years experience in handling all lines of insurance. He will add strength to the progressive agency with which he is now officially identified. Fredrick V. Bruns, president of the agency, is likewise president of the Excelsior of Syracuse, and an active figure in state and national agency association work.



T. F. CUNNEEN
New Manager Insurance Department,
United States Chamber of Commerce

intendant of the New York insurance department and legal adviser at its New York City office. He was admitted to the bar several years ago, serving successively as secretary to various judges, after which he became associated with John J. Cunneen in general legal practice, leaving upon the outbreak of the war to enter the naval service. His connection with the insurance department dates from August, 1924, when he was appointed a deputy by Supt. J. A. Beha.

Paul M. Britton, inspector for the North British fleet in Minnesota and son of Frank L. Britton, state agent for the North British fleet in Kansas and former president of the Northwest Association, was married to Miss Adelaide Myer of Pleasanton, Kan., April 15. They were former college classmates and will make their home in Minneapolis.

Gipson W. Hollingsworth, 79, member of the insurance agency of Hollingsworth & Kenyon, Fort Worth, Texas, fell dead on the steps leading to his place of business. His death brought to a close a long and colorful career as civil engineer, banker and insurance man. As civil engineer, with a guard of United States troops to protect his crew from the Indians, Mr. Hollingsworth surveyed the Texas & Pacific Railway's contemplated line west from Fort Worth to El Paso. Later he traveled west Texas in a buckboard and was often reported massacred but always arrived at his journey's end unharmed. In 1896 he entered the insurance field and was engaged in that business for 32 years, of late with his son-in-law, William S. Kenyon, surviving member of his firm. Mr. Hollingsworth was prominent socially and commercially throughout the middle western portion of his state.

George B. Gray, of Duluth, Minn., vice-president and manager of the American Lloyds, is receiving the condolences of his friends because of the death of Mrs. Gray, which took place last week. The burial was at Fond du Lac, Wis., where the Grays lived for 17 years. Interment was made alongside the youngest daughter, who died some years ago. Mrs. Gray is survived by Mr. Gray and two daughters, Mrs. A. W. Nelson of Minneapolis and Mrs. Louis G. Marzolf of Virginia, Minn. There are two grandchildren. Mr. and Mrs. Gray were married 32 years ago. Mrs. Gray was Rose Sherwood and she and Mr. Gray were schoolmates at Washington, Ia., where they were both born and reared.

In seeking the Republican renomination to Congress from the 18th Congressional district of Pennsylvania, Benjamin K. Focht of Lewisburgh deserves and doubtless will receive the hearty support of every insurance man living in his jurisdiction. During his three terms of service in the House Mr. Focht has been the inveterate foe of the spoils system in politics, at the same time giving his best "to sustain and stabilize the business of the factory and the farm; to restrict immigration and to uphold the arm of labor and see justice done the soldier and his dependents." Holding with those who believe there should be "more business in politics and less politics in business," he has consistently fought the Fitzgerald bill, which would create a monopolistic form of workmen's compensation insurance in the District of Columbia, as well as other threatened inimical legislative measures. Of straight American ancestry and numbering six of his forebears who served in the Revolutionary war, and his father a volunteer in the Civil war, Mr. Focht is of the type of men who reflect credit on public institutions and whom the people can ill afford to lose from the legislative halls.

J. Charles Harris, San Francisco, grand supervisor of the flock of the Blue Goose, broke his leg April 14, when he fell down the front steps of his home. This accident has given him another setback, as his right leg was broken and it was the one on which he had the brace. He has been slowly recovering from injuries received many months ago and was progressing in good shape until now. In a wire sent to Grand Wielder Paul Rudd at Milwaukee, Mr. Harris said he was going to carry on for Montreal, however. All of the ganders of the Blue Goose are pulling for him, as they want him present at the Montreal meeting when he is elevated to most loyal grand gander.

Laurence E. Falls, vice-president of the American of Newark, will speak at the monthly meeting of the Albany Field Club April 20 on "The Coinurance Use and Occupancy Form Which Is Mandatory in New York State."

T. F. Cunneen, who will assume the management of the insurance department of the United States Chamber of Commerce in a few days, replacing in such connection James L. Madden, who retired some months ago following his election as a vice-president of the Metropolitan Life, is now third deputy super-

Parcel Post
Division of the
Cleveland
Post Office
Building
destroyed in
mid-winter fire

—Wide World Photo



Parcel Post Insurance

Here is a line that can be built up to provide a steady premium income year in and year out.

Every one of your clients who ship by parcel post is a prospect.

Parcel Post insurance will appeal to them because it saves *time*—there is no waiting at the post office. Because it saves *money* on values between five and

twenty-five dollars. Because the premium can be charged to the consignee if so desired. Because losses can be settled promptly through you, their insurance man, instead of their having to file claims at the Post Office and transact business with people they do not know.

Cultivate Parcel Post insurance—there are lots of premiums in it.

AMERICAN EAGLE FIDELITY-PHENIX
The CONTINENTAL FIRST AMERICAN
FIRE INSURANCE COMPANIES
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FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

DAUNER ENTERTAINS STAFF

Cincinnati Agent Gives Luncheon to His Force—J. L. Crowley Has Some Casualty Sales Suggestions

Charles J. Dauner, Jr., operating the Charles J. Dauner & Son Agency in Cincinnati and vicinity entertained his staff and solicitors with a luncheon last week.

Briefly addressing the gathering, Mr. Dauner said that due to arrangements with the fleet of companies now in his office his solicitors could write all the essential coverages in these companies, thus enabling clients to know and remember the companies with which they insure. He also pointed out the value of soliciting casualty coverage and added that the Norwich Union Indemnity had already equipped him to the stage where his office could render better than average service in this connection.

J. L. Crowley, Ohio manager of the Norwich Union Indemnity, dealt first on the commission income possibilities of the casualty business and energetically counseled those present to "spread their play." He stressed the importance of knowing the business technically and exhorted his hearers to read and study faithfully the "Casualty Insurer" and "Rough Notes." He said: "These journals are more important to you agents than cut rate facilities, excess commission allowances and return mail service. From a surface point of view this claim may appear to you to be extravagant, but if you will apply yourself to these clearly written and interesting periodicals, I am sure you will yet thank me. Whether you do or forget to, I know my advice regarding them is more important to you than anything else I have said."

Ohio Association Meeting

The executive committee of the Ohio Association of Insurance Agents has decided to hold the annual meeting at Lima, June 12-14.

Barret Moves His Office

Richard S. Barret of Toledo, state agent of the Norwich Union Fire, has moved his office from the Spitzer building where he has been for 15 years to the Medical building, 312 Michigan street, Toledo. Mr. Barret also is state agent for the Eagle Fire and the New York Fire office in western Ohio.

Sue Policyholders for Assessment

The Ohio insurance department, it is announced, will bring suit against five Franklin county policyholders of the Ohio Motor Mutual for \$8,000, unless the money is soon paid. The company went into the hands of a receiver two years ago. The \$8,000 is part of the \$100,000 assessed against 80 policyholders to raise money with which to pay damage claims. The Ohio department is now liquidating 12 companies.

Inspection of Morgantown

CHARLESTON, W. VA., April 18—Most satisfactory was the recent intensive survey of fire risks in Morgantown made under the direction of a committee of the West Virginia Fire Underwriters Association headed by E. P. Douglass of Parkersburg. B. L. Gregory, C. E. Hutchinson, R. M. Mullins and G. K. Taylor joined in the work and a number of local insurance men assisted in directing the inspections. C. W. Nolte, state fire marshal, was present ready to enforce immediate action should circumstances warrant. The group of property owners and citizens, however, were only too ready to join in this most interesting event and their consent and approval

was manifest as soon as the results of the inspections began to be noted.

The summary showed 1,666 defects in the 322 buildings inspected, and 1,342 recommendations were made. Only eight percent of the buildings were found clear. Of the 19 school buildings 190 specific defects were noted. In 11 churches, 115 defects were found.

Will Liquidate Catholic Mutual

COLUMBUS, O., April 18.—Judge C. S. Younger of the attorney general's office, who is in charge of the legal matters for the state department of insurance, this week obtained from the court of appeals an order for the distribution of the assets of the Catholic Mutual Fire of Cleveland. All claims will be paid in full and the balance will be returned to the policyholders.

Probe Ohio Mine Fires

Deputy sheriffs are investigating a fire which destroyed six vacant houses at the Bradley mine of the United States Coal Co., at Steubenville, O. The houses, formerly occupied by union miners, were to have been used by non-union men. Oil-soaked rags were used to start the fires, it is said. A bridge on the New York Central line nearby was burned

several days ago in an attempt to prevent the removal of coal from the mine. Striking miners in the Ohio fields have been ordered to vacate the company houses and are now doing so.

Ohio Blue Goose Plans

June 5 has been tentatively set as the date for the spring meeting of the Ohio Blue Goose. The affair will be held at the Arlington Country Club at Columbus. The social committee is arranging for a dinner and dance and the golf committee for an afternoon of recreation on the greens.

West Virginia Blue Goose

The West Virginia Blue Goose will hold its next meeting on Tuesday night, May 15, in Wheeling. Invitations have been extended to Most Loyal Grand Gander T. L. Geraghty and Grand Wielder Paul Rudd to attend.

Ohio Notes

A loss of \$200,000 was incurred when fire destroyed the plant of the Frampton Electrical Company at Dayton, O. Three vats of oil exploded.

A loss of \$150,000 was incurred in a fire at Niles, O., Saturday night when flames destroyed the plants of the Western Reserve Lumber Company and the Wilson Manufacturing Company. Firemen fought the flames for 13 hours, the fire having been fanned by high winds. Youngstown, Girard and Warren sent help to fight the flames.

CENTRAL WESTERN STATES

REGIONAL MEETING WAS HELD

Illinois Association of Insurance Agents Had a Successful Gathering This Week at Springfield

SPRINGFIELD, ILL., April 18—The Illinois Association of Insurance Agents held a regional meeting here today in charge of Vice-President R. W. Troxell, who was assisted by Alvin S. Keys. There was a business meeting held in the afternoon and a banquet in the evening. Among the speakers were Ernest Palmer, general manager, and August Torpe, president of the Chicago Board; Rockwood Hosmer, of Chicago, chairman of the automobile committee of the Illinois association; James M. Newburger of Chicago, president of the Illinois association; Harry J. Leach, of Morris, chairman of the organization committee; John C. Lanphier, Jr., of Springfield, president of the Illinois Insurance Federation; Freeman Read of Chicago, president of the Casualty Field Men's Club, and Ralph W. Miller of Conkling, Price & Webb. The talks were along educational lines. There was a large attendance of local agents from Springfield and adjacent towns.

Frank M. Chandler of Chicago, assistant manager Employers Liability spoke on "Illinois Insurance Day." Rockwood Hosmer, Chicago, told about the automobile certificates of the National Association of Insurance Agents. J. A. Giberson, Alton, member of executive committee of the National association spoke. Ernest Palmer of the Chicago Board was toastmaster at the banquet. The speakers were: J. M. Newburger, president of the Illinois association, and C. J. Doyle, associate counsel National Board.

New Fireworks Ordinance

DETROIT, MICH., April 18—Despite the fact that Detroit's effort to restrict the use of fireworks within the corporate limits by ordinance was voided by recent court decision, which held the ordinance in conflict with the state law, a renewed attempt is being made and an ordinance which, it is believed, will

"hold water" before the courts has been submitted to the common council by Nathaniel Goldstick, assistant corporation counsel. Instead of prohibiting the use of those types of fireworks legalized by statute, the new ordinance is to provide that persons may use fireworks under the following conditions: They must be 18 years of age, they must buy fireworks from a dealer who has paid a \$50 license fee, they must get a specific fire marshal's permit, they must stand at least 50 feet from any residence and must obtain consent from the property owner. It is believed that such regulations, if enacted, will result in as "safe and sane" a Fourth of July as if the earlier ordinance had been upheld.

Waukegan Agents Meet

The insurance division of the Waukegan, Ill., Chamber of Commerce held a meeting Monday. Manager W. W. Steiner of the Globe Indemnity from Chicago was present. The speaker was A. L. Kirkpatrick, secretary of the Casualty Information Clearing House of Chicago. There were a number of field men present.

Push Fire Prevention

GRAND RAPIDS, MICH., April 18—Efforts of Grand Rapids to maintain its pace in fire prevention, despite its predominant woodworking industries, are being continued, despite a setback to the city's record last week in the explosion and fire which damaged a booster plant of the local gas company to the extent of some \$150,000. Members of the city fire department and enthusiastic and tireless workers in the campaign are staging neighborhood meetings in various schools throughout the city which are arousing more than ordinary interest and are believed to be getting results from the standpoint of educating the public in methods of curbing the ravages of fire. Each meeting includes brief talks on fire prevention, motion pictures and "stills," and musical selections. Members of factory forces are being taught prevention methods in the same way through meetings at the plants.

Honor Robert McHatton

At a joint meeting of the Indiana Fire Underwriters Association and the In-

diana Field Club, held Monday noon of this week, Robert McHatton, who retired April 1 as Indiana state agent of the New York Underwriters, was presented with a handsome watch, with chain and pocket knife. John H. Hellekson, Indiana state agent of the Springfield and long-time friend of Mr. McHatton, made the presentation speech, to which Mr. McHatton responded briefly. The watch carries the inscription "To Robert McHatton from his loyal insurance friends in Indiana, April 16, 1928." A. R. Monroe, retired president of the Newark Fire and years ago a field man in Indiana, and Charles F. Engle, Indiana state agent of the Milwaukee Mechanics, spoke reminiscently and in appreciation of the friendly relationship always maintained by "Uncle Bob" McHatton toward his fellow field men.

Developing Detroit Insurance Center

The neighborhood of the General Motors building in Detroit is developing as an insurance center. Across the street from the General Motors Building is the home office of the Detroit Fidelity & Surety. Three blocks down the street is the home of the Michigan Life, and the Federal Casualty is also in the same district. Real estate values in this section have been advancing constantly and are still going up. Probably the finest office building in the world is being constructed by the Fisher Body Corporation across the street from the General Motors building and other new building projects are being planned for the immediate neighborhood. This entire section of Detroit seems destined to become a business center second only to the financial district in the so-called downtown section.

Companies investing in real estate in this section of Detroit have made profitable investments. Other very important developments in this section are contemplated.

Kankakee Was Inspected

The Illinois Fire Prevention Association made an inspection of Kankakee this week. There was a large attendance of field men. The local agents took much interest in the movement. Vice-President W. A. Schneider and Secretary S. E. Moisant of the Illinois Association of Insurance Agents, both residents of Kankakee, were on hand to lend their assistance.

Harry M. Zimmer, state agent of the Home, was in charge of the work. Harry K. Rogers of the Western Actuarial Bureau spoke at the business meeting and also before the school children. Mr. Zimmer presided at a noon-day luncheon given under the auspices of the business clubs, Chamber of Commerce and Y. M. C. A.

Michigan Membership Drive

LANSING, MICH., April 18.—Michigan Association of Insurance Agents, with the assistance of Charles H. Doscher, field secretary for the National association, is launching a state-wide membership campaign of impressive proportions this week. Every effort will be made, according to President Fred L. Winter of Muskegon to enlist every qualified agent in the state.

Mr. Doscher, who was a speaker at the Detroit regional meeting a week ago, and President Winter will attend all of the membership meetings, and each session will be in charge of one of the association officers.

The rallies started at Port Huron and Mt. Clemens Tuesday noon and night. Meetings were held today at Lapeer and Flint. Other sessions are scheduled as follows: April 19, Owosso, Bay City; April 20, Mt. Pleasant, Lansing; April 21, Ypsilanti, Ann Arbor; April 24, Monroe, Adrian; April 25, Albion, Jackson; April 26, Battle Creek, Kalamazoo; April 27, Dowagiac, Benton Harbor; April 30, Holland, night; May 1, Grand Haven, Grand Rapids; May 2, Ionia, noon; May 3, Traverse City, noon; May 4, Ludington, noon.

Michigan Notes

A two-story, four-room school at Levering, Mich., was destroyed by fire the past week with an estimated loss of \$25,000. Origin of the blaze was

LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL

NEAL BASSETT, President

A. H. HASSINGER, Vice President

JOHN KAY, Vice President and Treasurer

WELLS T. BASSETT, Vice President

JANUARY 1ST, 1928, STATEMENTS

ORGANIZED 1855 FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

ASSETS	LIABILITIES	CAPITAL	NET SURPLUS	SURPLUS POLICYHOLDERS
\$40,000,136.83	\$19,459,279.01	\$7,500,000.00	\$13,040,857.82	\$20,540,857.82

ORGANIZED 1853 THE GIRARD F. & M. INSURANCE COMPANY OF PHILADELPHIA, PA.

\$6,000,966.28	\$2,930,594.84	\$1,000,000.00	\$2,070,371.44	\$3,070,371.44
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ORGANIZED 1854 MECHANICS INSURANCE CO. OF PHILADELPHIA, PA.

\$4,828,245.29	\$2,820,808.68	\$600,000.00	\$1,407,436.61	\$2,007,436.61
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ORGANIZED 1866 NATIONAL-BEN FRANKLIN FIRE INS. CO. OF PITTSBURGH, PA.

\$4,907,721.63	\$2,557,216.60	\$1,000,000.00	\$1,350,505.03	\$2,350,505.03
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ORGANIZED 1871 SUPERIOR FIRE INSURANCE CO. OF PITTSBURGH, PA.

\$4,835,369.35	\$2,520,317.56	\$1,000,000.00	\$1,315,051.79	\$2,315,051.79
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ORGANIZED 1870 CONCORDIA FIRE INSURANCE CO. OF MILWAUKEE, WIS.

\$5,250,424.26	\$2,567,447.92	\$1,000,000.00	\$1,682,976.34	\$2,682,976.34
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ORGANIZED 1886 CAPITAL FIRE INSURANCE CO. OF CONCORD, N. H.

\$760,298.04	\$375.00	\$300,000.00	\$459,923.04	\$759,923.04
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TOTAL OF ASSETS
\$66,583,161.68

TOTAL OF LIABILITIES
\$32,856,039.61

TOTAL NET PREMIUMS
\$25,684,495.78

WESTERN DEPARTMENT
844 Rush Street
Chicago, Illinois

H. A. CLARK, Manager
Assistant Managers
H. R. M. SMITH
JAMES SMITH JOHN R. COONEY

EASTERN DEPARTMENT
10 Park Place
NEWARK, NEW JERSEY
CANADIAN DEPARTMENT
461-467 Bay Street
TORONTO, CANADA
MASSIE & RENWICK, Limited,
Managers

PACIFIC DEPARTMENT
60 Sansome Street
San Francisco, California
W. W. & E. G. POTTER,
Managers

LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL

An Open Letter to Harmonia Agents--

Digging Up Leads for Automobile Insurance

The man who gathers in the most commissions every month is he who is constantly on the lookout for leads and turning them into sales. Here are a few suggestions for obtaining leads for Complete Automobile Insurance.

License Bureau—New licensed drivers, beginners with driving permits, all are good prospects.

New Garages—Owner probably has just bought car.

News Items—Many times they tell of new cars purchased.

Business Firms—You can well afford to devote considerable time to those firms who own fleets of delivery cars and trucks.

You may have thought of these and others before, but try them now. Use them as a basis for your automobile mailing list and solicit them with literature.

The Harmonia Fire Insurance Company has folders on Complete Automobile Insurance available for its agents upon request. Start your automobile business growing today.

In territories where the Harmonia Fire Insurance Company is not already represented, applications from reputable agents for representation will be considered.

HARMONIA
Fire Insurance Company
NEW YORK OFFICE
59 MAIDEN LANE



NEW YORK UNDERWRITERS INSURANCE COMPANY

CAPITAL \$2,000,000

A. & J. H. STODDART, General Agents

100 William Street - - - New York City

**FIRE - AUTOMOBILE - WINDSTORM
BUSINESS INTERRUPTION INDEMNITY**

**You've heard it said that National Underwriter Want
Ads are result getters—they are.**

not determined. Insurance coverage amounted to only \$6,000, according to reports.

Loss approximating \$110,000 was sustained in a blaze at Flint, Mich., which originated in a freight transfer house of the State Trucking Company, a motor freight line, and spread to the furniture warehouse of the Smith-Bridgeman Company, local department store. The store's loss was estimated at \$65,000; truck line, \$25,000; Donald Brothers, owner of the truck company warehouse, \$20,000. Only the store was said to be fully covered by insurance.

Illinois Notes

The Fine Arts Theatre, a motion picture house of Monmouth, Ill., was destroyed by fire last week. Loss \$25,000. In a fire which destroyed the plant of

the Harrisburg (Ill.) Packing Company, the loss was estimated at \$100,000, with comparatively little insurance.

Indiana Notes

S. W. Cook, well known field man of Evansville, Ind., who a week ago filed for the Republican nomination for congress in the first Indiana congressional district, has withdrawn from the race upon the advice of his physician.

William A. Mansfield and Kenneth Secrest have bought the insurance agency at Bloomfield, Ind., formerly owned by Will R. Vosloh and Courtland M. Chambers. The new firm will operate under the name of Mansfield & Secrest. For some time past Mr. Secrest has been local agent for the Prudential. He will be succeeded in the Prudential agency by Herschel Moore.

STATES OF THE NORTHWEST

MINNESOTA RESULTS LISTED

Summary Prepared by Commissioner
Shows 1925 Was Profitable Year
in Most Lines

ST. PAUL, April 18.—Insurance companies as a whole had a profitable year in Minnesota in 1927. A compilation just made by Commissioner Wells shows that fire premiums totalled \$12,361,987 with losses of \$5,370,159. American stock companies collected \$10,135,147; foreign companies, \$1,541,890; mutuals and Lloyds, \$199,713; reciprocals, \$46,236, and domestic mutuals, \$439,000.

In the three largest cities of the state, Minneapolis showed premiums of \$3,133,160 and losses of \$1,543,352; St. Paul had premiums of \$1,649,896 and losses of \$1,418,367, while Duluth made relatively the best showing with premiums of \$820,330 and losses of \$301,428.

Hail premiums totaled \$618,775 and losses incurred were \$285,620. Premiums for tornado business were \$1,304,944 and losses \$191,042. Sprinkler leakage insurance premiums amounted to \$34,144 and losses \$16,641. There was a very limited business in riot and civil commotion insurance, with premiums of \$14,744 and losses at \$1,309. Inland navigation and transportation premiums totaled \$629,285 with losses of \$255,838.

Casualty premiums totaled \$16,774,757 with losses of \$9,059,569. Motor vehicle premiums aggregated \$1,819,037 and losses \$652,290.

Postpone Wisconsin Federation Drive

MILWAUKEE, April 18.—The Insurance Federation of Wisconsin has postponed the drive for new members, which was scheduled to take place in May, out of deference to the Wisconsin Association of Insurance Agents, which will conduct a drive that month. The federation drive will be held in September, according to President John A. Keelan. All county chairmen have been notified of the change. They will continue with the work, however, of organizing their counties and endeavoring to secure as many new members as possible prior to September.

Conservation Week Proclamation

Governor Zimmerman of Wisconsin has issued a proclamation calling on the insurance fraternity and other interests in the state to observe conservation week in Wisconsin. It will be held April 22-28. Governor Zimmerman has asked the cooperation of all the residents of Wisconsin in reducing the tremendous fire losses in the forests of the state.

Fix Union Field Club Dates

MILWAUKEE, April 18.—The Wisconsin Fire Underwriters Association, Union organization of field men in Wisconsin, will hold its annual meeting at Delavan June 19-20, according to Frank Goldthorp, president.

The quarterly meeting of the association was held in Milwaukee last week and J. C. Qualman, new state agent for the Queen in Wisconsin, was elected to membership. A representative of the Foamite company addressed the members on Foamite fire protection.

FORM NEW MILWAUKEE FIRM

Strauss, Swarthout, Zahn Co. Starts
Adjusting and Insurance Counselling
Business in Wisconsin

MILWAUKEE, WIS., April 18.—The Strauss, Swarthout, Zahn Co. has been formed in Milwaukee by I. G. Strauss, J. L. Swarthout and W. W. Zahn, to conduct an adjusting and insurance counselling business. They will start June 1 and will be located at 404 Guaranty building, Broadway and East Wisconsin avenue.

They will represent the insured and act in cooperation with agents and insurers in the matter of insurance supervision, consisting of counselling, engineering, valuations, adjusting and insurance law. The firm will operate in Wisconsin and neighboring states.

Mr. Strauss was admitted to the practice of law in Wisconsin in 1910 and for a number of years was associated in Milwaukee with the firm of Aarons & Niven. Mr. Swarthout served his apprenticeship in the office of A. D. Baker Co. of Lansing, Mich. He has also seen experience with the Detroit office of the Michigan Inspection Bureau, the general agency of McCuen-Reynolds Co. at Jackson, Mich., the Wisconsin Inspection Bureau, and with the T. E. Brennan Co. of Milwaukee, adjusters and counsellors.

Mr. Zahn's experience has been in the manufacturing and insurance business in Milwaukee. He was connected with machinery manufacturers at Milwaukee for about 15 years as an engineer and appraiser and for five years as correspondent and estimator on machinery sales. He has been with the T. E. Brennan Company since 1919 as an adjuster.

Suburbs Seek Better Protection

MILWAUKEE, April 18.—Considerable agitation for a fire department which will be on duty all the time has been stirred up in the village of Shorewood. A committee has been investigating the fire protection of the village for the last six months. When the committee was appointed there was some discussion of the advisability of joining with Whitefish Bay and installing a joint department. It was felt at the time that the cost of maintaining an efficient fire department would be too expensive for one village. The other plan considered by the committee would have the village install a fire department modeled after the Milwaukee department, but this will cost a large amount.

Due to the lack of fire protection, most residents of Shorewood carry almost full insurance coverage on their property.

Liquidate North Dakota Mutuals

BISMARCK, N. D., April 18.—H. A. Julsrud, a Fargo accountant, has been appointed agent for the receiver of the Northwest Mutual of Fargo and two other insurance companies, the affairs of which have been directed by J. H. Dahl of Fargo. It is announced by Commissioner Olness.

An order issued in the district court named Mr. Olness as receiver for the Northwest Mutual, Garagemen's Mutual and Hardwaremen's Mutual Insurance companies, all of which were organized

by Mr. Dahl, according to attaches of the insurance commissioner's office. His appointment was a legal formality. Mr. Julsrud will be in direct charge of the work of liquidating the affairs of the mutuals.

The companies suspended business March 1, 1927, when the department refused to renew their licenses. The refusal was based, Mr. Olsness said, on the fact that the assets of the companies were declining in value and action was necessary to protect the interests of policyholders.

Doscher Working in Wisconsin

MILWAUKEE, April 18.—A concentrated drive to secure new members for the Wisconsin Association of Insurance Agents will be made in May, Walter T. Greene, president, has announced. The Wisconsin agents have secured the services of E. H. Doscher, representative of the National Association of Insurance Agents, who will be in Wisconsin from May 7 to June 4, organizing local boards throughout the state and securing new members for the state organization.

Mr. Doscher's itinerary is being prepared now and will be announced next week.

Compensation Talk at Insurance Club

MINNEAPOLIS, April 18.—Dr. L. E. Evans, medical director of the Aetna Life, was the speaker at the April 17 meeting of the Insurance Club of Minneapolis. His address was devoted largely to a discussion of medical, surgical and hospital problems involved in the administration of workmen's compensation.

South Dakota Loss Figures

PIERRE, S. D., April 18.—The April bulletin of the state fire marshal shows fire losses for December, January and February were \$370,000. The heaviest loss occurred in February, \$150,133. The January loss was \$120,672 and December \$99,370.

Blue Goose Spring Party

The Wisconsin Blue Goose will hold its spring dinner-dance May 14 at the Hotel Schroeder, Milwaukee. The committee in charge consists of Cornell H. Anderson, Home of New York; Fred Edler, New York Underwriters; C. Marquardt, National Union.

Revise State Hail Fund Rates

PIERRE, S. D., April 18.—The state commission which has charge of rating for state hail insurance has gone over the experience rating of the different counties of the state, and prepared a new rating for a number of the counties, based upon their experience for a series of years. The new rate takes into consideration the loss experience, to which has been added an expense and surplus loading charge for the purpose of building up a surplus in the state hail fund, which will allow it to operate without borrowing on anticipated receipts every year.

The experience shows that the loss ratio is somewhat higher on the state

fund risks than those carried by private companies. The reason assigned is that the private company has the right to pick or exclude sections so far as accepting risks are concerned, but the state fund has no such option and must accept all who apply, regardless of the locality or personal experience which may be shown.

Admits Firing Truck, Sent to Prison

Arthur V. Moore of Oskosh, Wis., was sentenced to from three to five years in prison after he had admitted complicity in setting fire to a truck, bringing about an explosion that rocked the town of Plymouth, Wis., several months ago. When the truck was set on fire its gasoline tank exploded. That set fire to an acetylene tank in the rear of a plumbing shop and the resulting explosion blew out windows in buildings, causing damage estimated between \$10,000 and \$12,000. Moore said the truck was set on fire to collect insurance.

Call Lightning Rods Effective

MADISON, WIS., April 18.—Lightning rods, both good and defective, have reduced fire losses on farm buildings by about 85 percent, according to available statistics, the state fire marshal's office announced last week, in commenting on the bulletin on the prevention of farm fires, issued by the National Fire Protection Association. The state fire marshal's office praised the lightning rod as a fire prevention measure and said that when rods are properly installed and well-maintained they show an efficiency of almost 100 percent.

Require Collateral of Assessors

PIERRE, S. D., April 18.—The South Dakota Supreme Court recently held that where an assessor fails to list crops for hail insurance, as is required of him, the assessor is liable on his bond for payment of the loss. As the state bonding department carries most of the bonds of assessors, the bonding department has ruled that collateral security will be required of such officers before a bond will be written for them.

Wisconsin Notes

The Milwaukee Board has elected Stanley Ufnowski to membership. He is the new partner in the insurance agency of I. Przybyla.

William Duvall, state agent in Minnesota and Wisconsin for the Royal Exchange, is planning to make Milwaukee his headquarters in the future, moving to that city from Minneapolis, where he has been located.

Dakota Notes

Devils Lake, N. D., will be provided additional fire protection when 23 new fire hydrants are installed, bringing the total in the city to 115. These will be installed in the second, third and fourth district.

James Gilland and Dan Williams of Lemmon, S. D., have been arrested by North Dakota authorities on a complaint of the state fire marshal of that state, charging arson, which caused the destruction of a garage owned by Gilland at Burt, N. D.

The Alliance Agent is Advertised

Last month its publishers announced that The Saturday Evening Post now has "More Than 3,000,000 Net Paid Circulation."

It is in this widely-read, ever-going weekly that Alliance Advertising appears. The Saturday Evening Post, going to good homes all over the country, carries to property-owners these frequent reminders to consult the Alliance Agent in their locality.

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IN THE MISSOURI VALLEY

KANSAS POSTPONES HEARINGS

Both Sides Want the Final Action in the United States Supreme Court

TOPEKA, KAN., April 18.—There will be no hearing this week on the suits of all the fire companies involved in the Kansas rate litigation in the United States district court. William A. Smith, attorney general, has asked the court for an additional 20 days in which the state will determine its plans before a temporary restraining order is issued. The state sought further delay on account of the long illness of John G. Egan, assistant attorney general.

It is expected that the state will withdraw its assurance to the federal court relative to the distribution of the impounded premiums. This will force the court to grant a temporary order against the state and then three judges must

hear the case. In this way the case can be appealed to the supreme court of the United States for final action. If only one judge hears the case the appeal can be only to the circuit court of appeals. Both sides want to take the case to the highest court in the land, whichever loses in the federal court.

State Seeks Dismissal

The state is preparing to seek the dismissal of the case on the ground that the United States Supreme Court has already passed upon the rate reduction and it will be urged that the case has no business in the federal court either as individual suits by each company or by joint action of all the companies.

It was expected that the Missouri cases, which were filed some time ago, would be heard and some ruling made on them before the Kansas case was taken up. On account of the delays in the Missouri federal courts it is possible that the Kansas cases will be the earliest heard. The state has no disposition to

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Surplus to Policyholders - - - - - \$ 1,928,405.51

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delay the cases except for the illness of Judge Egan, who has had complete charge of the litigation for the state during the six years of the lawsuit.

PLAN REGIONAL MEETINGS

Missouri Association of Insurance Agents Plan Series of Pre-convention Gatherings Throughout State

KANSAS CITY, April 18.—The Missouri Association of Insurance Agents have announced a plan to hold four regional meetings in Missouri prior to their annual convention, which will most likely be held in St. Louis next September.

The first regional meeting will be held at St. Joseph, May 16, and Lorren W. Garlich of St. Joseph is the general chairman. The second meeting will be held in Trenton, June 13, and Court P. Allen is the general chairman. The third meeting will be held at Moberly, July 18, and P. K. Weis is the general chairman. The fourth meeting will be held in Sedalia, August 15, and S. R. Sprecker is the general chairman.

It is planned to invite all agents in these territories and not limit the meetings to the members of the Missouri association, as it is felt that the benefits to be derived will be such that attendance should not be limited.

A conference was held in Kansas City, April 15, at which the program was mapped out. Those present at the conference were B. J. Fradenburg, president of the state association; Wilbur F. Marling, Jr., secretary; Frank Furgason and R. L. Stewart, Sr., members of the advisory committee; T. S. Ridge, Jr., president of the Kansas City association; Lorren W. Garlich, secretary of the St. Joseph association; Court P. Allen, president of the Trenton association; P. K. Weis, secretary of the Moberly association; S. R. Sprecker, Sedalia, and W. H. Shelton, Unionville.

Interesting Fight for Nomination

The fight for the Republican nomination for superintendent of insurance in Kansas is getting very interesting. John B. Smith, first assistant to Superintendent Baker, and Charles F. Hobbs, actuary in the office, are the candidates. Mr. Hobbs was a candidate against Mr. Baker at the time of his first nomination and was defeated by a small margin, so is conceded to be a strong candidate. On the other hand the "Baker support" is reported to lean toward Mr. Smith and this no doubt will mean lots of votes. Mr. Baker was first assistant to Col. Frank Travis before his election and the precedent of the first assistant being promoted to superintendent was thus set, which may be hard for Mr. Hobbs to overcome.

St. Louis 1927 Losses

ST. LOUIS, April 18.—Fire losses in St. Louis in 1927 totaled \$2,583,703, compared with \$3,144,188 for 1926, according to records compiled by the St. Louis fire department. The department estimates the insurance loss at \$2,495,819. The total damage to buildings was placed at \$1,376,998, and to contents at \$1,206,705.

Estimates of the value of property exposed to fire during the year aggregated about \$43,250,000 with approximately \$30,000,000 of insurance coverage.

Bad Explosion and Fire

WEST PLAINS, MO., April 18.—Charred bodies of 40 persons have been recovered from the ruins of a two-story brick building which was destroyed last week by fire following a series of three mysterious explosions while a dance attended by 60 persons which was in progress on the second floor.

The first floor was occupied by a garage, the proprietor of which was among those killed. Property loss was estimated at \$200,000 as business houses and residences within a large radius of the building was shattered by the force of the explosion. Fire inspectors were fully agreed to the feasibility of leaking gasoline causing the explosion. "It takes less than a quart of gasoline under

proper circumstances to impregnate 1,000 cubic feet of air to the explosion point," Emmett Scanlan of Kansas City said.

"Garages under public halls or sleeping quarters long have been held to be hazardous from a fire standpoint," Mr. Scanlan said. "The West Plains casualty is but a horrible example of the things fire commissioners have been warning against for several years."

Kansas Blue Goose Meeting

V. E. Herbert of Topeka, state agent of the National Ben Franklin, was elected most loyal gander of the Kansas Blue Goose at its annual meeting. Other officers elected were: E. D. Patton, Northern Assurance, supervisor of the flock; Harry T. Stephens, North America, custodian of the goslings; C. E. Blekeley, guardian of the pond; L. D. Burt, welder of the goose quill; Clad Marshall, Sentinel, keeper of the golden goose egg. Delegates to the grand nest meet in Montreal in August are N. K. Nelson, retiring most loyal gander, Great American, and Fred Whiten of Topeka. Paul Phillips of Topeka and Harry B. Brown, Northwestern National, were elected to membership.

Improve El Dorado Water Supply

Shortage of water will soon be a thing of the past for El Dorado, Kan., as the new reservoir will be completed within 30 days. The reservoir, located five miles northeast of town, will cover 325 acres when filled and will be the largest body of water impounded for city water supply in the state. Following two seasons during which the city was practically without fire protection, bonds totalling \$440,000 were voted, out of which \$289,000 was used to build the dam and pipe line to the city waterworks and \$90,000 for the land needed.

Wichita Insurers Meet

WICHITA, KAN., April 18.—Vice-President Roy P. Preston presided at the regular meeting of the Wichita Insurers last week. Thirty-five members were present. Duane Stover of Harris, Burns & Co. presented plans for entertainment for Kansas Insurance Day, June 14. The Wichita Insurers as a body have been drafted to serve on the entertainment committee, of which Mr. Stover is chairman. Other members of the committee present were Gordon Oliver of Newton, Emil Elder of the New York Life and Craig Kennedy of the Northwestern Mutual Life, both of Wichita. A detailed explanation of the purpose of Kansas Insurance Day was given by Mr. Preston. Fred Horn, who took charge of the insurance department of the Robert Israel Agency April 15, was present for the first time. Frank M. Elise, special agent for the Boston, was a guest.

Central Kansas Field Club

WICHITA, KAN., April 18.—G. M. Montgomery of the Western Adjustment presided at this week's meeting of the Central Kansas Field Men's Club. Guests were E. E. Lake, secretary-treasurer of the Barber County Building & Loan Association, and Vernon Hooser of Wheeler, Kelly & Hagney. W. M. Beeson, formerly with the Central States, who has recently returned from California, where he spent the winter, gave a short talk. Mr. Beeson broke one of his legs while in California, but is able to get around very nicely with the aid of a cane. However, he will not be very active for the present, probably spending some time doing independent adjusting. The club decided to offer its assistance in any manner possible to the general committee on Kansas Insurance Day. Austin Stone continued his discussions of the standard form policy. Twenty members were present.

Independent "Local Board" in Wichita

WICHITA, KAN., April 18.—Some 15 Wichita fire insurance agents who were not members of the "Wichita Insurers," realizing the mutual benefit from organization, have formed a local board known as "The Wichita Association of Insurance Agents." C. I. Cochran of the Peoples Securities Company was elected president; Charles H. Hatton of the Peoples Finance Company, vice-president, and J. D. Wood of the J. D. Wood agency, secretary-treasurer. An appropriate and attractive emblem, to be used by members, was selected.

Membership requirements, according to the by-laws, state that a member must be a recording agent for at least one

stock fire company with a "Best's" rating of at least \$1,000,000 and cannot represent any company with a lower rating, either fire or casualty. Members must maintain an established recording office and conduct business in a manner usual to a recording fire insurance agency and must have had at least one year's experience in such work in the state. Mutuals may be represented if they meet the requirements.

Meetings are to be held each Tuesday noon. Willard Quinn of the Kansas Underwriters discussed "Contingent Liability" at a recent meeting and H. A. Blinn, Wichita branch manager of the Kansas Inspection Bureau, explained the functioning of the Rating Bureau at this week's meeting.

Lincoln Auditorium Burned

LINCOLN, NEB., April 18—Losses estimated at between \$35,000 and \$40,000 were caused by a fire, presumably starting from an overheated rheostat, that destroyed the city auditorium at Lincoln on the morning of April 15. This is the second time it has suffered from fire within two years, but this time it was practically wiped out of existence. It was estimated to be worth \$30,000 and was insured for \$20,000. The roof and a portion of the interior of the St. Theresa parochial school, across the street north in the path of a heavy wind, were damaged \$5,000, but the loss is fully covered by insurance.

After the previous fire the auditorium had been fitted up as a theater and a play had been staged there Saturday night. The county owned the building and grounds and it was held under lease by the local post of the American Legion. The county got the lots, situated on a valuable business corner, years ago in settlement of a shortage of its treasurer, and public subscriptions built the structure just burned. A business block will replace it.

Require Insurance for Wheat Pool

LINCOLN, NEB., April 18—The action of the Intermediate Credit Bank of Nebraska in contracting to finance the operations of the Nebraska wheat pool and in advancing large sums to other co-operative activities in aid of orderly marketing has developed a nice line of business for surety men, as well as fire underwriters. The bank heads insist that all officers and employees execute fidelity bonds, something new for co-operatives, and it also required full coverage of fire insurance on products handled. The bank operates under the direction of the federal farm loan board and is making six months loans on all forms of agricultural products handled under an orderly marketing plan.

Will Inspect Clarinda, Ia.

DES MOINES, April 18—At least 30 state and special agents, members of the Iowa Fire Prevention Association, will take part in the Clarinda, Ia., inspection Friday of this week. The day's work will be climaxed by a get-together meeting at the Chamber of Commerce in the evening. J. H. Bunten is in charge of the inspection arrangements.

March Fire Losses in Kansas

Kansas fire losses reported to State Fire Marshal Elstun totaled \$760,167, an increase of \$37,376 over February of this year. However, \$213,800 of this amount covered a bakery loss in Topeka which occurred in January, but was not reported until March. Thus the net loss for the month should be reduced to \$546,367, which was \$355,854 more than March, 1927.

The burning of 231 dwellings with a loss of \$109,113 shows "the need of a state-wide clean-up of fire hazards about dwellings," according to Mr. Elstun. Forty-two barns also burned with a loss of \$63,898; 14 stores for total of \$69,657; one church for \$32,000; one theater for \$17,576; one warehouse for \$49,000. Incendiarism was reported as causing 13 fires with loss of \$147,610.

Council Bluffs Recommendations

COUNCIL BLUFFS, IA., April 18—Elimination of a condition that has proved a constant handicap to the Council Bluffs fire department was recommended by Chief Oliver in his annual report. The chief recommends the hiring of two fire alarm telephone operators at central station and the installation of a private telephone system between stations for transmission of fire calls only.

Under the present system firemen on duty at headquarters are compelled to transmit alarms to other stations by calling them individually over an ordinary telephone circuit. Whenever firemen at the station are called away, no one is left on duty to receive and transmit alarms.

Chief Oliver also cites the need of additional firemen for duty at three stations which are now undermanned and additional equipment.

Heavy Hailstorms in Iowa

DES MOINES, April 18—Hailstones as large as hen's eggs did much damage in various sections of the state in recent weeks. Crops were not far enough along to suffer any injury, but glass-covered green-houses, public buildings and private residences sustained great loss from broken window panes. In the consolidated school house at Wlota 63 windows were broken out. Roofs of buildings were ruined by the terrific pummeling of the large hailstones. At Webster City the tops on 500 automobiles were ruined, which seems to offer an additional field for coverage on automobiles.

New Missouri Inspection Plan

This year the Missouri State Fire Prevention Association is using a new plan of making inspections. Instead of the former system of having a large number of the field men swoop down on a town and give it the once over in a single day, the new method is more systematic and thorough. For several weeks prior to the final check up two or more members of the association visit various buildings and business houses to check up on fire hazards and are thus able to obtain a closer personal contact with those in charge.

The success of the new plan was demonstrated at Fulton. In that town 249 risks were inspected and 210 were criticised and 1,466 recommendations for improvements were made. In the final check-up 186 buildings were found defective in some manner and 1,118 recommendations were made. One direct result of that inspection was the appointment of a special fire prevention committee by the Chamber of Commerce, while the city administration plans to make improvements to the fire department and waterworks system recommended by the inspectors.

Inspect Brookfield, Chillicothe, Mo.

The Missouri State Fire Prevention Association will make an inspection of Brookfield, Mo., the later part of April. It is expected that more than 50 field men will take part. The May inspection will be in Chillicothe.

Springfield's Spring Clean-Up

The Springfield, Mo., Chamber of Commerce has perfected plans for the annual Spring Clean-Up to be held in that city April 24-30, with E. W. Phillips, prominent local agent, as chairman of the committee on arrangements.

Richard E. Vernor, manager of the fire prevention department of the Western Actuarial Bureau, and Harry K. Rogers, known as "Smoky, the Fire Clown," will visit Springfield to assist in the program. Mr. Rogers will be the star attraction of a monster mass meeting of school children. The Missouri Fire Prevention Association is cooperating with the local committee and a number of field men plan to assist the local business men in making inspections.

Kansas Notes

The Kansas Inspection Bureau has published new rate books for Fostoria, Wheaton, Lillis, Duluth and Corning.

Col. Sam F. Woolard, Kansas and Colorado state agent for the American Central, is spending this week visiting the home office in St. Louis.

Wilbur Gardner, Kansas state agent of the National, is again able to be at his desk after a confinement to his home for the past three weeks.

Mrs. C. H. Dachenbach, wife of C. H. Dachenbach, state agent of the United States Fire, is confined to her home in Kansas City.

John Kirk of Topeka, father of W. R. Kirk, with the North British & Mercantile group in Kansas, died at his home there last week.

L. C. Shaul, assistant general agent of the Phoenix Assurance, is spending the next two weeks in the Kansas territory.

James M. Harris, Kansas state agent for the Alliance and Philadelphia Fire

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INSURANCE ASSOCIATION

CAMDEN, NEW JERSEY

January First, Nineteen Twenty-eight

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NET SURPLUS	3,548,708 77
Reserve for Unearned Premiums	5,580,190 38
Reserve for Losses in Process of	
Adjustment	873,449 00
Reserve for Taxes	246,090 00
TOTAL ASSETS	\$12,228,438 15

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The latter half of the book is devoted to special features of loss adjusting—waiver and non-waiver agreements, appraisals, arbitration, awards, non-concurrent insurance, court definitions of insurance terms, accounting in its relation to adjustments, the iron-safe clause, concluding with a chapter of "Facts Worth Knowing."

Particularly important is his discussion of "Apportionment of Non-Concurrent Insurance."

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INSURANCE OFFICE SYSTEMS SUPPLIES AND PUBLICATIONS

& Marine, is in Chicago this week visiting the western department office of his companies.

Carl E. Bailey, Kansas state agent for the Westchester Fire, with headquarters in Wichita, will spend next week visiting the office of the Westchester's western department in Chicago. Mrs. Bailey, who is visiting her sister in Madison, Wis., will meet Mr. Bailey in Chicago and return home with him.

Three youths, 15 years old, were arrested in Wichita last week on a charge of arson as they were detected striking

matches and dropping them down ventilation shafts in the Wichita Theatre. A new hazard of open ventilation shafts, which have long been dreaded by examiners, was thus revealed.

Missouri Notes

John F. Lutz of the Commonwealth Insurance Agency of St. Louis was re-elected alderman for the third ward in Glendale, Mo., a suburb of St. Louis. He was unopposed for reelection.

STATES OF THE SOUTHWEST

TO SUBMIT FLOATER FORMS

Texas Commission Takes Up Question of Allowing Use, Now Barred in That State

AUSTIN, TEX., April 18.—Suggested policy forms and rates for floater policies to cover all nature of personal property irrespective of location over Texas were ordered to be filed and will be taken under advisement by the State Insurance Commission, following a hearing held on this subject.

Up to this time insurance companies in Texas have been unable to write this form of insurance, which is particularly used by commercial establishments in protecting goods sold on the instalment plan, following an opinion rendered by Attorney General Pollard to Fire Insurance Commissioner Campbell about a year ago. Col. William Thompson, representing a number of companies, and D. D. McLarry of the Home of New York, both of Dallas, were the only insurance men attending the hearing and discussing the policy with commission members.

Rates in keeping with those in use at this time in other states, together with similar forms, will be compiled and submitted to the commission at an early date for their consideration and a decision is not expected for several weeks.

Discuss New Dwelling Rates

OKLAHOMA CITY, April 18.—The new dwelling rate schedule was one of the topics of interest at a recent meeting of the Associated Fire & Casualty Underwriters of Oklahoma City. The new rates were explained by C. T. Ingalls, manager of the Oklahoma Inspection Bureau. M. B. Ryon, assistant manager of the bureau, and W. B. Clinite, manager of the Oklahoma Audit Bureau, also spoke at the meeting. Interest in the meetings of this association has been perceptibly greater during the past few weeks, according to L. I. Baker, secretary-treasurer. Attendance at the last few meetings has been materially increased, he said.

Extend Oklahoma City Fire Zones

OKLAHOMA CITY, April 18.—In compliance with recommendations of the city manager, the city building commissioner and the fire chief, the second fire district south on Robinson avenue was ordered extended to Ash avenue by the city council. This action is expected to prevent the building of shacks in the Robinson avenue river district, which was becoming dotted with small buildings constructed of inflammable materials.

A change was made in the building code, providing that owners of adjoining lots may build garages jointly, but with a tile fire wall dividing the spaces. Where garages are built separately it is provided that they must be at least 30 inches apart.

Local Board for Duncan, Okla.

For the purpose of promoting better ethics among insurance agents, education of the public to the value of old line insurance, and to procure mutual benefits of state and National association affiliation, insurance agents in Duncan, Okla., have organized the Duncan Association of Insurers, with Claude L. Frenley as president, Robert Jones, vice-president, and L. A. Morton, secretary-treasurer. The officers, with Warlick Wilkinson, H. A. Blake, R. H. Farnham, form the board of directors.

The association will assist in fire pre-

vention, give information to property owners to inform them of fire hazards, and in all legitimate ways enable the public to install such protective measures as to result in reduction in insurance rates.

Rate Cut from \$13 to 48 Cents

McCamey, Tex., a town of 5,000, which has had the highest fire insurance rate in America for some time, has lost its prestige. The fire rate has been \$13 per \$100. But a few days ago the city put in a first class fire fighting equipment, got its waterworks to going and the rate has been reduced to 48 cents per \$100. McCamey is an oil town and in the past piped its water several miles.

Many Towns Keep Old Rates

AUSTIN, TEX., April 18.—The Texas fire insurance department has announced there will be no change in the key rate of the following towns, specific schedules being effective April 16: Avery, Aringer, Barry, Buda, Bloomburg, Harleton, Hidalgo, Hughes Springs, Linden, Mt. Vernon, Newton, Rock Springs, Palmer, Point Isabel, Pardon, Queen City and Valley Mills.

That no change will be made in the Jefferson county key rate was also announced.

Local Board for Sulphur Springs

The Sulphur Springs Fire Insurance Exchange, organized at Sulphur Springs, Tex., has as charter members the six largest agencies in the city. Its directors are D. E. Magrill, John W. Foscoe, C. H. McCorkle, Miss Myrtle Henderson and Sam Minter. John W. Foscoe is president; C. H. McCorkle, vice-president, and Miss Myrtle Henderson, secretary-treasurer. The organization plans to better insurance conditions and hopes to reduce fire hazards in the interest of lowering fire rates.

Holdenville Agents Organize

Following a visit to Holdenville, Okla., by G. M. Scott of the National Association of Insurance Agents, the Holdenville local agents organized a local board with six agencies represented. It is to be known as the Holdenville Association of Fire & Casualty Underwriters. The following officers were elected: Fred T. Treadwell, chairman; A. A. Green, vice-president; L. G. Shinn, secretary-treasurer. The board will hold regular meetings on the first Friday of each month.

Fort Back on the Job

Walter V. Fort, the well known insurance man of Waco, Tex., who has been off the reservation for two months on account of his health and at one time was seriously ill in the hospital, has now returned to his desk. He was in the King's Daughters Hospital & Clinic at Temple, Tex.

San Antonio Blue Goose

The San Antonio puddle of the Blue Goose held a delightful luncheon in that city, having as its guests Messrs. Campbell, Cousins and Pope of the Texas Insurance Commission. Officers of the Local Agents' Exchange were present also. Plans are now under way to entertain the local agents of San Antonio April 28.

Texas Notes

The Panhandle Mutual Hall Association of Amarillo, Tex., has been granted a charter by the Texas department.

The coke treating plant of the Texas Company at Port Arthur, Tex., was destroyed by fire last week. Estimate of the damage can not yet be made.

Fire just before midnight Thursday destroyed the Bluebonnet Inn at Dallas

and a filling station next door, with loss to the Inn of \$20,000 and perhaps \$2,000 to the filling station.

The Shelton Insurance Agency has been organized at Houston, Tex., with Mrs. James Shelton as the owner. It is said to be the first general agency organized by a woman in that section.

Two fires at Ranger, Tex., Thursday night, caused damage of \$21,000 to the Lone Star Gas Company and the Prairie Pipe Line Company when one of the accumulators of the gas company exploded. All of the loss was covered by insurance.

The L.O.O.F. Hall at Princeton, Tex., and the Wilder dry goods store on the lower floor of the same building were destroyed by fire. A grocery next door also was badly damaged. The McKinney fire department assisted in preventing further spread of the flames but damage of \$25,000 was sustained.

Oklahoma Notes

J. A. Hogan of Pauls Valley, Okla., has sold his insurance and loan business, established there 13 years ago, to S. J. Mathies of Frederick, who will remove to Pauls Valley.

Mrs. Alice P. Byrd, mother of Thomas H. Byrd, Kansas State agent of the Automobile and formerly with the Northern Assurance Co., died at her home in Vinita Okla., April 10. She was 82 years of age.

Arkansas Notes

The Fort Smith, Ark., local board met Saturday for a regular session. Matters of collections and routine affairs were disposed of, according to Allan Kennedy.

SOUTHERN FIELD

SAUFLEY DEFENDS HIS OFFICE

Kentucky Commissioner Replies to Criticisms of Expenditures Made by State Inspector

FRANKFORT, KY., April 18—Commissioner Saufley, who was insurance commissioner during the administration of State Auditor William H. Shanks, now under investigation by the Franklin county grand jury, and has been reappointed by State Auditor Clell Coleman, defends the record made by his department the past four years in a letter to Governor Sampson. Mr. Saufley concludes his letter with the compliment paid him by the president of the Kentucky Association of Insurance Agents, as follows:

"There is no question but what he (Saufley) has been the best commissioner we have ever had and the fact that the agents as well as the companies are unanimous in his favor is the strongest recommendation that can be given."

Mr. Saufley claims that every expenditure in his department was in the best interest of the state and analyzes the various criticisms made by State Inspector T. Scott Mayes. He attributes these criticisms to Mr. Mayes' lack of knowledge about the requirements of his department. He says he courts the fullest investigation of his department. In conclusion Mr. Saufley says:

Spent More, Collected More

We have spent more money, it is true, than was ever spent before by any insurance department in this state. But we have collected more money from the companies and have spent none but their money in our work for them and for our policyholders. The parallel is shown that our expenses increased from around \$30,000 in 1924 to \$58,000 in 1927. Yet the records before you show that we collected for the benefit of the state treasury over \$340,000 more in 1927 than was collected four years before. Scores of new companies have come into our commonwealth to sell insurance in that period; thousands of new agents have been licensed. Careful and faithful supervision of all these has required much additional personnel for the department of insurance.

Says Companies Approve

They have traveled over the state investigating and giving earnest attention to every complaint made by our policy-

MARCHANT

SUPER - AUTOMATIC
A Calculating Machine

**TO CLEAR
DIALS
YOU
PRESS KEY**

Clearance is automatic—lightning fast eliminating all handle "cranking."

**TO MULTIPLY
PRESS ANOTHER
KEY**

Multiplication also is automatic—result appears instantaneously.

BEFORE YOU
DECIDE SEE
MARCHANT.

Write or
consult
your
phone
book



15 YEARS
BUILDING
CALCULATING
MACHINES—
AND NOTHING
ELSE

MULTIPLICATION
DIVISION
ADDITION
SUBTRACTION

MARCHANT
SUPER - AUTOMATIC
MARCHANT CALCULATING MACHINE CO.
New York Chicago Oakland London
Sold and serviced in all principal cities
of the world.

RATE REDUCING APPLIANCES

**Non-Explosive Safety Cans and
Automatic Oil Waste Cans**
Each can bears the label of the
Underwriters' Laboratories and
the Associated Factories Mutual
Fire Insurance Companies.

Justrite Manufacturing Co.
2067 Southport Ave., Chicago, Ill.



Its Name Indicates Its Character
Operating Along Sound Lines

Incorporated 1852

MILWAUKEE MECHANICS'

**FIRE
MARINE
TORNADO
AUTOMOBILE
EXPLOSION
SPRINKLER
LEAKAGE
RENTS
USE and
OCCUPANCY
RIOT and CIVIL
COMOTION**

INSURANCE COMPANY

**Milwaukee
Wisconsin**

*Time-Tempered, Strength,
Security and Service*

REINSURANCE FIRE and CASUALTY

Rossia Insurance Company
of America
The Fire Reassurance Company
of New York
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of New York
Lincoln Fire Insurance Company
of New York
The First Reinsurance Company
of Hartford

115 Broad Street Hartford, Conn.

AMERICAN NATIONAL FIRE INSURANCE COMPANY

8 East Long Street COLUMBUS, OHIO

Capital \$500,000

CHARLES G. SMITH, President
JESSE E. WHITE, Vice-President JOHN A. DODD, Vice-Pres. and Sec'y
GEORGE E. KRECH, Secretary
ALLEN W. FLEMING and E. PHILLIP GUSTAFSON, Assistant Secretaries

Progressive, Yet Conservative

THE EAST AND WEST INSURANCE COMPANY OF NEW HAVEN CONNECTICUT

Do you need in your Agency a Company capable of understanding your needs, one willing to help work out your fire insurance problems?

Do you want in your Agency a Company that pursues a stable and consistent underwriting policy year after year?

The East and West is such a Company. It is a valuable addition to any Agency.

*Owned by and under the Management of
Security Insurance Company of New Haven*

Western Department
ROCKFORD, ILLINOIS
Walter D. Williams, Manager

MINNEAPOLIS FIRE & MARINE INS. CO.

430 Oak Grove Street
Minneapolis, Minnesota

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Walter C. Leach, Sec'y and Treas. F. M. Merigold, Ass't Secy.

FIRE—TORNADO—THRESHER—AUTOMOBILE INSURANCE

ORIENT INSURANCE COMPANY of HARTFORD, CONN.

HENRY W. GRAY - President
HARTFORD, CONN.

CHARLES E. DOX, Manager
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We file the Automatic Way.
These files expand for greater convenience, efficiency and extra capacity.

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30 DAYS FREE TRIAL 5 YEAR GUARANTY.
Submit your filing problems and get our catalogs. Expert factory service and factory prices to consumers direct.
The AUTOMATIC FILE & INDEX CO.
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holders; they have checked up and assisted our agents and have endeavored to help them place the profession of insurance agent on the highest standards possible. We have helped our home companies—many of them out of the slough of despond—and now are proud to see them growing great and prospering. We have spent a lot more money to do these things than was ever spent before—but it was the insurance companies' own money we were spending—it does not come out of the pockets of the taxpayers, and without reserve or exception they have told us that they are glad to have us spend it in the kind of service we have been giving.

PROBE OF OVER-INSURANCE

Action to Be Taken Toward Revoking Agent's License Where That Condition Is Found and Property Burns

FRANKFORT, KY., April 18.—That a large proportion of fire losses in Kentucky is due to incendiarism and that over-insurance of property by unscrupulous agents is the determining factor behind such conflagration is the opinion of officials of the department of fire prevention and rates, after making an intensive survey of the situation. Such was the statement of George Keenon, deputy auditor in charge of this department. He said:

"Our arson inspectors are kept busy investigating fires of unknown or suspected origin, and the great trouble behind the appalling loss which the state suffers therefrom appears to be the practice of many agents of over-insuring property. Regulation of the amount of insurance an agent may place on a piece of property appears to be the problem which we must solve if this situation is to be met and the problem solved. I believe we have evolved a plan which will do it. From now on where our inspectors investigating such fires find that the property in question palpably has been over-insured and its destruction by fire has followed, information which we have gathered will be placed in the hands of the insurance commissioner for investigation.

May Revoke Agents' Licenses

"The law is ample to afford redress in such a case, for it provides that license of such agents shall be revoked upon proof of such a condition. To this end our arson inspectors are being instructed to investigate the matter of coverage as well as other facts concerned with suspicious fires, and to show in their reports the name of the agent responsible for the policy. Where the evidence will show that property in question has been over-insured, the insurance commissioner will be requested to take prompt and effective action. The closest cooperation prevails between this department and the insurance department and we are assured that every effort will be made to wipe out this constantly increasing and costly evil. The statutes afford the insurance department every authority necessary, and I am assured that it will be invoked to the fullest whenever the facts may justify."

Asks for Cooperation

Mr. Keenon says that business men, policyholders and citizens in every community are urged to communicate any information they may have as to such violations of the laws as may be suspected in such cases, and that prompt and efficient action will be taken in all cases where the evidence justifies.

PUBLIC FIRE SECURES SOME SOUTHERN TRAINED MEN

ATLANTA, GA., April 18.—Three former Atlanta insurance men have been made officials in the new Public Fire of Newark, N. J., which starts business with a paid-in capital of \$1,000,000, a net surplus of \$400,000 and a \$200,000 equipment fund.

J. T. Dargan, Jr., who is president of the new company, obtained his initial training in insurance as a clerk in

his father's office of the Imperial of London, later becoming special agent of the company and of the Atlanta-Birmingham. Ulric S. Atkinson, secretary, was born and raised in Atlanta, entering the office of Capt. Edward S. Gay, southern manager for the North America, later becoming assistant manager for the southern department of the Royal, while Judge Charles G. Wilson, a member of the board of directors, is well-known in Atlanta as a lawyer.

Farm Mutual Auto Enters Texas

AUSTIN, TEX., April 18.—License to do business in Texas was issued last week by the insurance department to the State Farm Mutual Automobile of Bloomington, Ill., writing full coverage policies for automobiles. L. R. Campbell, with headquarters at Dallas, was designated as general agent for Texas.

Virginia Field Club Meets

OLD POINT COMFORT, VA., April 18.—Whether or not officers of newly appointed incorporated agencies should be required to furnish bond or otherwise bind themselves to guarantee the payment of company balances in excess of their capital liability is one of the questions that was given consideration at the quarterly meeting of the Fire Insurance Field Club of Virginia here.

Action on the question of adopting some uniform method of procedure in the adjustment of losses when policies are non-concurrent was deferred.

Other subjects discussed were: Methods of writing automobile business and the commission applying thereto, and the question of mutual competition and the most desirable methods of meeting it.

The next meeting of the club will be held at Virginia Beach July 10. The club will meet jointly with the Blue Goose as was done last summer when it met at Virginia Beach.

Insurance Men in Bank Merger

At Hazard, Ky., the Hazard Bank & Trust Company and Perry County State Bank have consolidated as the Perry Bank & Trust Company. L. F. Brashear of the Hazard Insurance Agency is president of the new bank, and J. I. Dempsey of the Perry Insurance Agency is cashier. One of the agencies is Bureau and the other is Union, so that there is no prospect of their consolidation.

Epidemic of Church Fires

LOUISVILLE, April 18.—An epidemic of church fires broke out in Kentucky and southern Indiana within a radius of 90 miles of Louisville Sunday in which four churches suffered losses which it is reported totaled around \$125,000.

At New Haven, Ky., 800 people were routed from a Catholic church by fire. The priest finished mass before leaving the building, which was reported as a total loss of about \$75,000.

The Southern Presbyterian church at Frankfort, Ky., suffered loss of about \$40,000, with \$25,000 insurance. The belfry crashed through the roof and into the main auditorium just a few minutes after approximately 100 had fled from the building, when it was discovered to be on fire. Minor losses were sustained by the Trinity Methodist Episcopal church, Louisville, and St. Michael's Catholic church, Charlestown, Ind., a few miles north of Louisville.

Mississippi Rate Advance Scored

Advance in the fire rates on certain classes of risks authorized by the Mississippi insurance department in 1926 was condemned in a minority report to the Mississippi legislature late last week. The report was signed by Senator Whittington of Natchez. The report recommended that the commission be abolished and that an assistant to the insurance commissioner be appointed with power to supervise rates.

Sturgis, Ky., Agencies Merge

At Sturgis, Ky., the D. A. Brooks Agency and the Daniel H. Quirey agency have consolidated as the Brooks-Quirey Agency and established new offices in the new postoffice building. Capt. D. A. Brooks, one of the partners, established his business 55 years ago, after retiring as a captain of Mississippi river steam-

boats. The agency has represented the Aetna Fire so many years that its original connection has been lost in the records.

Basket Champ of Insurance Stock

Edgar H. Phipps, insurance man of Ashland, Ky., connected with Phipps, Roper & Co. and previously with other agencies, has a son to be proud of in the person of young Jack Phipps, a member of the Ashland high school basketball team, which won the national high school championship in Chicago. Young Phipps is a member of a family of athletes. One of his older brothers last fall played on the University of Kentucky football squad.

Independence Enters Virginia

The Independence Fire of Philadelphia has applied for admission to Virginia. It is now doing business in 25 states and is represented by more than 300 agents.

Snyder Brothers Have Life Department

The Snyder Brothers general agency of Louisville, well known in the fire and casualty field, which recently established a life department, has been given a general agency for the Northwestern National Life of Minneapolis. Robert W. Snyder of the firm will devote his especial attention to the life department.

Push Fire Prevention, Clean-Up Week

FRANKFORT, KY., April 18.—As a stimulus to fire prevention Governor Flem D. Sampson will present to the city in Kentucky making the best average during clean-up week a silver loving cup. The occasion of the presentation is expected to be made memorable and will be given wide publicity.

Fire prevention was the subject for discussion of the Kiwanis Club of Ashland this week, with A. T. Coates of the Kentucky Actuarial Bureau as chief speaker. Chief Burris Henley gave a demonstration. Every public agency in Mt. Sterling, Ky., had the subject under

discussion during the week. The "Sentinel-Democrat" is leading the fight.

Virginia Notes

Bernard P. Carter, Virginia state agent for the St. Paul F. & M., was visiting the home office in St. Paul this week.

Frank S. Blanton, Farmville local agent and secretary-treasurer of the Virginia Association of Insurance Agents, is the proud father of a bouncing baby boy, Frank S. Blanton, Jr.

Frank Weaver, assistant southern manager for the Royal, was visiting the Virginia field this week, making a tour of the state with George B. Jennings, Virginia state agent. It was his first visit to the Old Dominion.

J. C. Milner, alleged arsonist, was recently convicted at Franklin, Va., and was sentenced to a penal term of five years. He was charged with burning a residence after being ordered by the owner to vacate it.

Kentucky Notes

Phillip de Sales Rudd of J. C. Rudd & Sons Co., Owensboro, Ky., was married last week to Miss Frances Monarch.

Miss Katherine Douglas Haddix of the Hazard Insurance Agency, Hazard, Ky., this week became the bride of Morris J. Kimberlin, Jr.

George W. Douglas, Lagrange, Ky., has purchased the Garnett S. Morris interest in the Douglas-Morris Insurance Agency, and will now operate it as the Douglas Insurance Agency.

J. Grover Galloway, state agent in Kentucky for the North British & Mercantile fleet, and Mrs. Galloway have returned from a two months visit to Europe, and are stopping a few days in Louisville before returning to their home at Bowling Green, Ky.

Louisiana Notes

Fire last week destroyed six buildings at Pollock, La., entailing loss of \$30,000. It is believed the fire was of incendiary origin.

Louisiana's fire losses were largely increased when an entire block in Simmesport burned with loss of \$75,000 to four residences, the Masonic Hall, Baptist Church, Magee Hotel and a store.

ON THE PACIFIC COAST

WASHINGTON PREMIUMS DROP

Deviations in Rates Held Responsible for Slump in Business in That State Last Year

SEATTLE, WASH., April 18.—Deviations in rates are held responsible for the decrease in premiums in the state of Washington in 1927. Fire premiums last year amounted to \$11,606,743, or \$720,898 less than 1926. All stock companies showed a decrease in premiums of \$635,286, while mutuals and reciprocals dropped \$84,612.

The Martin General Agency companies led in net premiums with a production of \$1,125,060, with a loss ratio of 24 percent.

Figures of leading companies or groups based on direct production follow:

	Net Prems.	Loss Ratio
Martin General Agency.....	\$1,125,060	24
General of Seattle.....	629,947	29
Firemans Fund group.....	547,753	57
Edward Brown & Sons.....	574,330	53
De Millie group.....	366,674	39
North America.....	354,980	66
Royal group.....	341,114	73½
Cum & Forster.....	312,685	26
Aetna group.....	304,987	63
America Fore.....	299,039	49½
Home of New York.....	295,577	58

Ramsden San Francisco Speaker

SAN FRANCISCO, April 18.—Percy S. W. Ramsden, executive secretary of the California Association of Insurance Agents, was the principal speaker before the Commonwealth Club in San Francisco last week, discussing in detail "The Agency Provisions of the Proposed Uniform Insurance Code of the American Bar Association."

Oregon Experience Improves

SALEM, ORE., April 18.—Net fire premiums of \$6,652,456 were received by stock companies in Oregon in 1927, while the incurred losses totaled \$2,687,069,

representing an incurred loss ratio of 40 percent. The 1927 experience is considered especially favorable in view of the stock companies' 1926 experience in Oregon, when the net premium income, as reported by the insurance commissioner, was \$5,990,736, with net incurred losses of \$3,314,575, a loss ratio on the incurred basis of 55 percent.

Need More Men in San Francisco

SAN FRANCISCO, April 18.—Chief Murphy of San Francisco has requested additional men for the fire department and several new pieces of apparatus. The chief states that several pieces he obtained last year are practically useless now because the necessary additional men were not forthcoming. In his budget requirements he asks for \$764,794 more than last year. He also asks for \$411,759 for extension to the high pressure water system into the newer residential districts. The number of new men needed, he points out, is 233.

Badger Returns from Trip

SAN FRANCISCO, April 18.—Harry F. Badger, manager of the Pacific Board, returned from a several weeks' tour of the states of Utah, Montana and Idaho April 14 and reported that from the agency viewpoint fire underwriting conditions have been considerably improved. Mr. Badger also said that separation on the part of the agents was still progressing and that, on the whole, the unity of action on their part indicated a period of agency development for the ultimate good of the business, in his opinion.

Honor Deputy Marshal

In recognition of his work in fire prevention, while cooperating with the National Board, members of the Pacific Coast Association of Fire Chiefs presented Chief Dan Noonan of Vallejo with a gold badge signifying his office as deputy state fire marshal. The presentation was made at an informal dinner at Napa, by State Fire Marshal Jay W. Stevens, chief of the fire pre-

NATIONAL LIBERTY Insurance Company of America

SUMMARY OF 69th ANNUAL STATEMENT
January 1, 1928

CAPITAL	\$ 2,000,000.00
PREMIUM RESERVE	9,637,599.00
RESERVE FOR ALL OTHER LIABILITIES.....	1,458,105.00
NET SURPLUS	14,689,493.00

TOTAL ASSETS \$27,785,197.00

SURPLUS TO POLICYHOLDERS.....\$16,689,493.00

Fire, Automobile, Windstorm, Tornado, Sprinkler Leakage, Rent and Rental Value, Use and Occupancy, Tourist Baggage, Explosion, Property Damaged by Aircraft, Riot and Civil Commotion, Inland Marine, Parcel Post, Registered Mail.

Home Office—709 Sixth Avenue
New York City, N. Y.

The Hampton Roads Fire and Marine Insurance Company

NORFOLK, VIRGINIA
ON HAMPTON ROADS

Western Department: 1415-222 W. Adams St. Chicago, Illinois

Do your fellow agent a good turn—get him acquainted with
The National Underwriter, the real insurance newspaper.

TORNADO Reinsurance

PRO-RATA



EXCESS

**INTER-OCEAN REINSURANCE
COMPANY**

CEDAR RAPIDS, IOWA

Assets \$2,813,006.69

Reserves \$1,797,974.00

Surplus to Treaty Holders \$1,015,032.69

Scottish Union & National Insurance Company

HARTFORD, CONNECTICUT

Assets, \$9,693,251.89

Liabilities, \$5,543,045.74

Policy Holders' Surplus, \$4,150,206.15

WRITES

Fire, Tornado, Automobile, Rents,
Sprinkler Leakage, Use and Occupancy,
Explosion, Riot and Civil Commotion

J. H. VREELAND, Manager

J. H. McCORMICK, Secretary

HARRY R. BUSH
President

B. C. VITT
Superintendent of Agencies

CLYDE A. HOLT
Secretary

Capital
\$500,000.00



Incorporated
1906

Surplus to Policyholders.....\$1,052,665.27

Is prepared to furnish insurance as follows:

Fire; Lightning; Tornado; Automobile Fire, Theft, Collision, and Property Damage; Automobile Dealers Policies; Rents and Rental Values; Profits and Commissions; Use and Occupancy; Hail and Rain Insurance.

vention bureau of the National Board. In addition to a number of fire chiefs the business of insurance was represented by Chas. H. Lum, assistant general manager of the National Board; F. J. Agnew and Kenneth C. Smith of the Fireman's Fund; W. G. Thompson, local agent of Napa, and H. J. Thielen of Sacramento, former president of the California Association of Insurance Agents.

Booklet Proves Popular

More than 25,000 additional copies of the booklet, "Problems of Mutual Interest," issued by the California Association of Insurance Agents last month, have been requested from agents receiving the first supply. The original issue was 25,000. It is devoted to an exposition of the mutual and assessment plan of insurance as compared with stock companies, together with a number of court decisions and a list of those mutuals which have failed.

Plans of Inter-Mountain Lloyds

SAN FRANCISCO, April 18—Reports from Salt Lake City are to the effect that Inter-Mountain Lloyds, organized last year and now operating under a special license of the Utah department, plans to extend its activities into Arizona and probably other states. It is reported that the organization now has 400 underwriters, of which more than 100 are prominent bankers in Utah. According to the organization plan the underwriters pledged themselves to pay \$1,250 a unit, of which \$250 was in cash and the balance in securities placed in the control of the insurance commissioner. Solicitors for the organization received, it is stated, \$125 of the cash payment while the Associated Underwriters, acting as the underwriting department, receives approximately 30 percent commission on the business.

Some dissatisfaction has been expressed over the scheme and it appears that it will be necessary to obtain legislation at the next session of the Utah legislature to legalize it.

Veterans' Bureau Contract

SAN FRANCISCO, April 18—James L. Pixley of San Francisco and Tom McManus of Bakersfield are the two brokers who have been named by the California Veterans' Welfare Bureau as the only ones to be recognized by the bureau for the placing of fire insurance on the homes of veteran borrowers from the state under the contract made between the officials and the National Union and the Merchants of New York. Further protests by local agents have been filed and, although it is reported the contract has been signed with these companies and is now in effect, the agents are still attempting to have it revised. The rate on which these two companies agreed with the bureau is 75 cents for five-year term.

Exchange Organizes Special Committee

SAN FRANCISCO, April 18—J. B. Hauer has been appointed chairman of a special committee of the Insurance Brokers Exchange of San Francisco which is to study the organization's constitution and by-laws preparatory to recommending changes at the semi-annual meeting in June. Other members of the committee are D. B. Bowley, B. F. Brisac, F. F. de Lisle, William E. Doud,

Sanford Hyams, Stephen Malatesta, William J. Wynn and John H. Stephens. The exchange, which was virtually disrupted early this year by internal factional troubles, has been attempting to bring about a reorganization ever since. The new committee, from the personnel, apparently represents all factions.

Spokane Has \$100,000 Blaze

Fire believed to have been started by an explosion of acetylene gas completely destroyed one of the car painting and repair shops of the Great Northern Railway at Spokane, Wash., with a loss estimated at \$100,000. Firemen were handicapped in battling the blaze because it was necessary to run an 800-foot lead of hose to the nearest water hydrant.

Groninger Is General Agent

SEATTLE, WASH., April 18.—R. R. Groninger, former state agent for the Home group in the state of Washington, has been appointed general agent for the City of New York and Homeland Fire. Appointment was made by A. T. Bailey, Pacific Coast manager for the North British & Mercantile. Mr. Groninger's agency will be known as Groninger & Co., and will have headquarters in the Colman building, Seattle.

Mr. Groninger started in the insurance business in 1919. In 1921 he became special agent for the Home of New York in eastern Washington, with headquarters in Spokane. In 1924 he was transferred to Seattle to handle western Washington.

Coast Notes

Lamping & Co., Seattle, have been appointed general agents for the Guaranty Fire in Idaho and Oregon.

The California Blue Goose held another one of its golf tournaments at Los Angeles Friday, April 13.

The Seattle office of the Netherlands and Great Lakes has been removed from the Lowman building to 1027-8 Liggett building.

The Dealy-O'Shea Company and the Thomas Johnston & Co. agencies, Spokane, Wash., have been merged under the name of J. F. Dealy & Co.

The Royal fleet has reestablished its Portland office, transferring Special Agent J. H. Banks from Seattle to Portland for that purpose.

Tacoma, Wash., will enjoy lower fire rates as a result of the expenditure of \$500,000 for better protection. A fire boat costing \$285,000 will reduce rates along the waterfront approximately 40 percent. Three new fire stations, a signal alarm system and new motor equipment are also being added.

Fire destroyed the Antioch Paper Mills at Antioch, Cal., last week. Loss was estimated as approximately \$200,000. The fire was fanned by a strong wind which carried the flames through the structure rapidly while assistance was being rushed from the nearby town of Pittsburg.

Insurance loss on the warehouse of the Yakima Fruit Growers at Ahtanum, Wash., totaled \$16,772. Insurance of \$772,850 was involved under an open policy on warehouse properties. The building loss was \$10,404. The insurance on equipment was \$205,450, and the loss was \$6,368.

Makin Assistant Secretary

Charles W. Makin, who has been with the Camden Fire for some 20 years, has been elected assistant secretary.

NEWS FROM EASTERN FIELD

RHODE ISLAND AGENTS MEET

Anniversary Banquet Brings Large Number to Hear Prominent Speakers on the Program

PROVIDENCE, R. I., April 18.—Over a hundred members of the Rhode Island Association of Insurance Agents and their guests attended the 28th anniversary banquet of that organization. There were no business features, the meeting being entirely informal. Good music and several interesting after dinner talks made up the evening's program. The banquet committee, consisting of William A. Lester, Earle B. Dane and R. G. Rathbun, all of Providence,

assisted by Secretary George I. Parker of Pawtucket, were congratulated on the pleasing arrangement of affairs. President E. G. Pieper of the Rhode Island and Vice-President W. E. Maynard of the Providence-Washington were company guests.

President C. B. Mackinney of Starkweather & Shepley, who acted as toastmaster, first introduced Governor Norman S. Case, who, in a brief talk assured the association men of the cooperation of the state's governing body. He was followed by Judge Felix Hebert of Warwick, a former deputy insurance commissioner of the state, who drew on his past experience in the supervisory field to accept his remarks on the value of the agency qualification law. He

stressed the importance of service to policyholders and paid tribute to the companies for their broad minded attitude towards the public. He referred to the Massachusetts compulsory automobile liability law and doubted if it would be adopted in Rhode Island, at least, for some years.

J. L. Case Speaks

James W. Cook of Providence, chairman of the New England Advisory Board, gave a few advance tips on the program of the New England Association of Insurance Agents' convention to be held again this year at Poland Spring, Me., June 20-22.

In his usual energetic manner, James L. Case of Norwich, Conn., past president of National association, urged close cooperation by state associations in upholding their ideals during the present somewhat troublous situation.

The next speaker, Arthur D. Spring, superintendent of agencies of the Travelers, stated that insurance lines are sold, not bought, and the salesmen have a great responsibility in seeing that the public buys proper and complete protection.

Frank L. Gardner, past president of the National association, spoke on "When Is a Policy Sold?" It is never sold, he stated, until the need of the man who has paid the premium has been met. An unqualified agent is one who will oversell his client in one line and undersell him in another. The only man in the business who knows all about insurance is the man who has just received his license, the real agent is continually studying his lines. The public is always more interested in the cost rather than in the "sure" in insurance, said Mr. Gardner, and it takes a high grade agent to convince the assured that the cheapest may not be the best.

The last speaker, Commissioner Philip H. Wilbour, urged the agents to make full use of his department and assured them of his best cooperation.

Becomes Insurance Floor

The ninth floor of the new Chamber of Commerce building in Cincinnati is becoming practically an insurance floor. W. A. R. Bruhl & Son, general managers of the Home Life, have handsome quarters there as has Harvey Isgig, manager of the Guardian. The Acacia Mutual has engaged quarters on this floor also. Other life companies that have taken space in the building are the Register Life of Iowa, the Business

Men's Assurance and the Metropolitan Life.

R. A. Osborne Dead

NEWARK, N. J., April 18.—Robert A. Osborne, long manager of the local branch office of the Great American Fire, and prominent in local insurance circles, died suddenly at the Newark Athletic Club.

Employers Names Boston Manager

BOSTON, April 18.—President Edward C. Stone of the Employers Fire announces that James E. Keary has been appointed manager of its metropolitan Boston office to succeed G. Arthur Lindstrom.

Mr. Keary has been with the Employers Fire since it was organized and previous to that was in the Boston agency of Randall, McCarthy & Co. for some 20 years, as counterman and outside placer.

Pennsylvania Field Club Meets

Members of the Pennsylvania Field Club held their anniversary dinner at Harrisburg, Pa., on Monday of this week. Vice-President Quaid of the America Fore group, Attorney Schell of Philadelphia and District Supervisor Hill of the General Adjustment Bureau were the principal speakers at the meeting.

New Valuation on Liquors

BALTIMORE, April 18.—The local board of fire underwriters has just put into effect a new valuation on liquors which are to be insured. In most instances it is somewhat lower than the former valuation and considerably below prevailing bootleg prices.

On Eastern rye whisky distilled prior to October, 1917, they fix a valuation of \$22.80 a case of 24 pints, after the Federal tax has been paid.

On Kentucky rye or Bourbon the insurance board fixes a lower valuation, the figure dropping to \$17.50 a case. Gin is valued for insurance purposes at \$10.50 the case. The insurance valuation on corn whisky shows a still further drop, going down to \$8.80 a case. Alcohol of 190 proof is valued at \$6.80 a case. Only liquors which are stored in government warehouses or which have been in the cellar of the owner since before prohibition are insurable.

Eastern Notes

Jordan, Read & Co. Boston have been appointed local representatives of the Occidental of San Francisco, the new company in the Fireman's Fund group.

J. T. Byrne, vice-president and secretary of the Universal, was a visitor in Philadelphia the past week, completing preliminary arrangements to plant his company throughout the state.

IN THE CANADIAN FIELD

PLANS OF BRITISH EMPIRE

New Company Is Being Organized to Take Over the Business of Underwriters Agency

The British Empire Assurance of Toronto, which has applied for incorporation to the Dominion parliament, proposes to take over the British Empire Underwriters Agency of the British American Assurance. In the charter the following directors are named: Wilfrid M. Cox, Cecil S. Wainwright, insurance manager; William H. Martin and G. Stubington, secretary. The capital is \$1,000,000 and may be increased to \$5,000,000. It is provided that the company shall not commence business until the subscribed and paid capital stock amounts to at least \$100,000, and until a premium of \$100,000 on the capital stock has been paid so that the paid up capital and surplus shall amount to at least \$200,000. The company may then commence writing fire, automobile, explosion, inland transportation, sprinkler leakage, tornado, lightning, burglary, guarantee, accident, sickness, plate glass, ocean marine and inland marine insurance.

New Automobile Rates in Canada

TORONTO, April 18.—Following the increase in losses on automobile business from 54 percent in 1926 to 64 percent in

1927, the Canadian Automobile Underwriters' Association, whose members now write over 90 percent of this business in Canada, has prepared a new schedule of rates. Fire rates are practically unchanged, while those for theft, and rates for collision, \$50 or \$100 deductible, are lower. But increases are going in force for full collision, and for public liability and property damage.

Detailed announcement of the change has been held up because of some difficulties in the case of Quebec territory, but some of the changes have been effective since April 1, and full particulars should be available in a few days.

Canadian Losses Compared

According to the "Monetary Times," fire losses in Canada for the week ending April 3 are estimated at \$277,500, as compared with \$587,500 for the corresponding week of last year. Fire losses from Jan. 1 to April 3, 1928, in Canada are estimated at \$5,224,400, as compared with \$5,098,150 for the period from Jan. 1 to April 6, 1927.

"Black Trophy" Golf Competition

WINNIPEG, April 18.—Entries for the "Black Trophy" golf competition are now being received. This is the usual annual golf competition amongst the fire insurance fraternity in Winnipeg. Last year there were 64 participants and with the advent of the present fine weather hopes may be entertained for an in-

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creased entry this year. Already half the number entered last year have signified their intention of competing.

Bowling League Party

WINNIPEG, April 18.—The bowling league of the Western Canada Fire Underwriters Association held a very successful party last week when prizes were distributed to the winners. A feature of the entertainment was the music provided by home talent in the shape of a jazz orchestra provided from the office.

Mercury Enters Canada

The Mercury, running mate of the St. Paul Fire & Marine, has been licensed in Canada for fire, automobile, tornado, sprinkler leakage insurance and limited insurance, explosion damage to property of any kind caused by the explosion of natural or other gas.

Winnipeg Institute Examination

WINNIPEG, April 18.—The Insurance Institute of Winnipeg held its examination here this week. The subjects include the principles and history of fire insurance, the fire insurance contract, building construction, fire prevention and fire protection, common fire hazards, special hazard—the woodworking industry, English and correspondence. This is the first examination held since the institute affiliated with the Insurance Institute of America, and covers the junior course only. Ninety-four members took the examination.

Forest Fire Losses Lowest in 1927

OTTAWA, ONT., April 18.—Forest fire losses in Canada during 1927 were the lowest in recorded annuals, owing to aerial patrol. In all 3,766 fires were reported in Canada during the last calendar year and these burned over an area of 431,373 acres. The total damage and loss sustained being placed at \$1,396,055. This low record is equal to about 20 percent of the loss suffered in 1926.

Canadian Notes

C. F. Codere, vice-president of the St. Paul Fire & Marine, Minn., was a visitor to Winnipeg last week.

The Kelowna plant of the Dominion Cannery Company was destroyed by fire at Kelowna, B. C. No estimate of the damage is available.

At a special meeting of the British Columbia Blue Goose, Most Loyal Gander W. A. Lawson initiated a class of nine goslings.

The McKinley-Darragh silver mine, Cobalt, Ont., was completely destroyed by a spectacular fire. The oil house, machine shop, and part of the tramway to the shaft were also destroyed. The shaft house itself was saved. Last June operations were discontinued except for taking out high-grade ore.

MANY NEW COMPANIES HAVE COME INTO BEING

(CONTINUED FROM PAGE 3)

of their shares, figuring that they as well as the business as a whole, will be advantaged through a broader distribution of their stock among property-owners.

Altogether the strife for premiums in the fire underwriting circles promises to become exceedingly lively the present year, a fact fully appreciated by experienced managers and by special agents, who were never more upon the alert than they are just now.

Undoubtedly the professional investment brokers have created a very strong desire for insurance stocks. Shares have mounted up rapidly and big money has been made by the advance in price of many standard company stocks. People therefore in casting about find that at the present price level, the stocks of old companies will not yield a great return. While the purchase may be a good one for a long haul, the return of 2% or 3 percent is not attractive. Therefore new companies coming into the field have been able to show the advantage of getting in on the ground floor.

Kansas Insurance Day

The Kansas authorities have now definitely decided on June 14 as the time for Kansas Insurance Day. This will be held at Wichita.

T. L. CARLTON ELECTED MOST LOYAL GANDER

GATHERING OF BLUE GOOSE

Heart of America Pond Holds Annual Meeting and Elects New Officers

KANSAS CITY, MO., April 18.—The Heart of America Blue Goose held its annual meeting April 14 with 65 members in attendance. The following officers were elected: T. L. Carlton, Queen, most loyal gander; Howard B. Henry, Great American, supervisor; C. W. Bean, Continental, custodian; C. H. Mahn, Springfield Fire & Marine, guardian. W. P. Chandler was re-elected keeper and C. P. Melton was re-elected welder. Delegates to the grand nest are George P. Cook of the Providence Washington, and G. W. Shippe of the New Hampshire.

Fourteen candidates were initiated, and they had the experience of being subjected to the new initiation equipment, which was a surprise to the members as well, and met with the general approval of the members of the pond.

D. L. McCoy was unable to attend the meeting, so the pond was without a grand nest officer.

Eighty ganders and their wives attended the dinner dance in the evening following the business session. J. K. Battershill was in charge of the banquet committee. E. D. Marr, past most loyal grand gander, and Mrs. Marr were guests of honor at the dinner dance.

Batchelder to Live in Evanston

George H. Batchelder, who retired as assistant United States manager of the North British & Mercantile at the close of last year, leaves for Evanston, Ill., this week to make his permanent home.

COMMISSIONS PAID ENGROSSING SUBJECT

(CONTINUED FROM PAGE 3)

of the agency, there is not very much complaint about commissions. Where an office changes from directly controlled business to supervising the business of others there is much dissatisfaction. This undoubtedly is the cause of the agitation all over the country for higher commissions here and there. The brokers, solicitors and sub-agents have forced supervising agents to bid for their business. The supervising agents have then gone to their companies to try to get a higher commission. As a result, commissions have been increased up and down the line.

Trouble Is Over Supervised Business

The main trouble today over commissions is on supervised business. In large cities as business has become more complex, as the population has grown and as cities have extended, sub-agents, solicitors and brokers have reached out into the various districts and have brought the business to local agents. This has caused the old time local agents to break away from their direct control of business and they are spending most of their time in attracting business to their offices through others.

Headed for Branch Offices

Many company officials declare that the large cities are headed sooner or later for the branch office system. They take the position that the companies can supervise the business at the same cost as local agents and they can save the extra paid local agents which they demand as their profit. From an economic standpoint the companies say that with the present groups and the conditions in the large cities, supervision can be carried on more effectively by branch offices or company departments.

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(Fire Re-Insurance)

Horace R. Wemple, President

84 WILLIAM ST.,

NEW YORK, N. Y.

You've heard it said that National Underwriter want ads
are results-getters. **THEY ARE!**

IMPORTANT MERGER IS
ANNOUNCED IN WICHITA

TWO OLD AGENCIES TO UNITE

Dulaney, Johnston, Yankee & Priest
Take Over Beezley-Bauerle-Ingram
—Roy R. Preston Leaves Firm

WICHITA, KAN., April 18.—Announcement was made this week of the merger of two old established fire insurance agencies in Wichita, the Dulaney, Johnston, Yankee & Priest. As the Beezley-Bauerle-Ingram Agency, to be known in the future as Dulaney, Johnston, Yankee & Priest. As Roy F. Preston of the former firm has just resigned, the members of the new firm will be W. R. Dulaney, H. R. Johnston, Paul C. Yankee, Frank T. Priest, William J. Bauerle and Elmer C. Beezley. Charles J. Slawson will remain as engineer. Mr. Ingram has not been active in the former firm of Beezley-Bauerle-Ingram.

The firm of Dulaney, Johnston, Yankee & Priest has been in business for some 35 years, being known as Dulaney & Johnston for many years. The Beezley-Bauerle-Ingram agency was established 11 years ago and have developed one of the larger organizations in the city. The consolidation makes the new organization one of the two largest in Wichita. Three years ago it absorbed the Elmer Reese Agency upon the death of Mr. Reese. Offices of the combined organization will be maintained in the quarters of the former Dulaney, Johnston, Yankee & Priest Agency in the Beacon building.

Roy F. Preston, who leaves the firm May 1, will join the Brown-Crummer Company, dealers in bonds and securities. Mr. Preston entered the insurance business in Wichita with the Elmer Reese Agency in 1919 just after being discharged from the Army. After the death of Mr. Reese three years ago he joined Dulaney, Johnston, Yankee & Priest, who absorbed the Reese agency, obtaining an interest in the firm. Mr. Preston has been extremely active in the Wichita Insurers as well as the fire prevention committee of the Chamber of Commerce. At the time of his resignation he was serving as vice-president of the Wichita Insurers, as well as chairman of the executive committee and study club committee. He was also secretary of the general committee which is planning for Kansas Insurance Day in Wichita June 14.

Appoints General Agents

Corroon & Reynolds announce the following general agency appointments for the Merchants & Manufacturers Fire: Albert J. Brame, Montgomery, for Alabama; Underwriters Agency, Milwaukee, for Wisconsin, and T. E. Braniff Company, Oklahoma City, for Oklahoma and Kansas.

PUBLIC FIRE STARTS
UNDER BRIGHT SKIES

(CONTINUED FROM PAGE 5)

brokerage department, which will be located at 28 Platt street, New York, was formerly connected with Marsh & McLennan and is a thorough going insurance man. Hugh W. Allen, secretary of the automobile department, was formerly connected with the Fire Association and was manager of the automobile department of the Constitution Indemnity. He has a splendid, comprehensive knowledge of automobile underwriting.

The home office of the Public Fire is in the Essex building, 31 Clinton street, Newark. It will begin binding May 1. A substantial organization will be maintained at the brokerage office in New York City. Mr. Rye will organize the western field and for a year will be in Chicago territory frequently. The com-

LEGISLATION FOR NEXT
YEAR TO BE DISCUSSED

LOUISIANA MEETING PLANS

State Association of Local Agents Will
Hold Its Annual Convention at
Shreveport, Apr. 26-27

SHREVEPORT, LA., April 18.—More than 300 agents from all parts of the state are expected to attend the annual convention of the Louisiana Insurance Society, to be held in Shreveport on April 26-27, Frank G. McElroy, president, announced today.

A well balanced program is being worked out and many important subjects will come up for discussion. A letter has been mailed to each agent in the state, inviting him to attend the meeting, and also to bring any matter he may desire, before the convention for its consideration.

The executive committee held a meeting in Alexandria April 4, to formulate plans for the state convention.

The convention may see a considerable amount of proposed legislation to be submitted to the Louisiana assembly at its next session, beginning the latter part of May, brought to its attention. G. F. Thomas of Natchitoches is chairman of the legislative committee. The insurance men have been requested to write him regarding any changes they desire to make in the present laws, or amendments which they deem necessary.

The Shreveport agents are planning an elaborate program of entertainment for the visiting delegates and their wives. It has appointed a large committee to work out details of the program.

Many notable speakers are expected to deliver addresses at the convention but the official program has not yet been completed, owing to efforts being made to secure other speakers, and heads of insurance companies from both New York and Chicago.

White Takes New Office

Jesse E. White, who recently resigned as vice-president of the Great American, has taken an office in the Woolworth building, New York City, with the Whitlow Corporation, an investment house of which he is president.

pany will have an office in the Insurance Exchange for brokerage, field men and Mr. Rye's headquarters when he is in the west. The company has not yet decided on its affiliation in Western Union territory. It will enter a half dozen of the best western states at once.

Executives Carefully Selected

The executives were chosen by the directors because of their particular fitness for the positions they will fill. The company naturally will be an aggressive one. It desired in its official family to have men of far seeing, hard hitting qualities. They know underwriting conditions and practices well. They will be able to steer the company along successful lines. The company has no affiliation with any other insurance corporation or group. It has announced that it will not pay any commission, contingent or otherwise to any executive or operating corporation. The executives are employed on a straight salary basis. The list of directors is a formidable one and gives to the corporation a strength and prestige that will carry it along rapidly.

Miscellaneous Notes

The annual meeting of the Factory Insurance Association will be held in New York City this week.

Clarence A. Henkel, manager of the casualty department in the general agency of Soevig & Hiscox, Milwaukee, representing the Norwich Union Indemnity and the Detroit Fidelity & Surety, is a candidate for election to a three-year term as director of the Milwaukee Athletic Club.



"One of the most sensible and business-like things I ever did," says this F&D client!

That's how H. A. Berglund, of Minneapolis, characterized his action in having required a Contract Bond from the contractor who built him the comfortable home shown in the above photograph.

Following is the complete text of Mr. Berglund's letter to the F&D representative who furnished the contractor's bond:

"Referring to bond executed by the Fidelity and Deposit Company of Maryland, covering construction of my house, wish to state first that requiring a bond from the contractor was one of the most sensible and business-like things I ever did, and in my case one of the most important, as otherwise the loss which would have resulted from the contractor's unpaid bills for labor and material would have meant the loss of my home.

"Second, I wish to express my appreciation of the way the Fidelity and Deposit Company of Maryland took care of my case and I am telling my friends who are contemplating building homes to require bonds from their contractors."

F&D Contract Bonds, to drop into the vernacular, take the "con" out of confidence. They guarantee to owners that their faith in the financial ability, experience and integrity of their contractors will be justified, and that *nothing* shall prevent the successful completion of their contracts.

FIDELITY AND DEPOSIT COMPANY OF MARYLAND Baltimore

The surety agent who will consistently devote part of his time to the solicitation of bonds covering private contract work, will find that this field will yield him unusually worthwhile returns. To those wishing to know more about this interesting subject, the F&D will be delighted to send a pamphlet containing valuable development suggestions. Please address your request to the Production Department.

FIDELITY AND SURETY BONDS / BURGLARY AND PLATE GLASS INSURANCE

The National Underwriter

April 19, 1928

CASUALTY AND SURETY SECTION

Page Thirty-seven

TRAVELERS HAS SALES CONGRESS IN CHICAGO

Two Day Session Is Devoted to Life, Casualty and Fire Insurance Branches

DRAWS HUNDREDS OF MEN

Methods of Canvassing, Selling and Securing Prospects Described—Banquet on Tuesday Evening

Several hundred agents and field assistants of the Travelers met in Chicago on Monday and Tuesday of this week for a sales conference. The sessions covered the life, casualty and fire branches. Manager L. J. Kempf of the Chicago territory presided at the casualty sessions.

H. L. Wessling, who is one of the leaders on automobile insurance among Chicago agents, told of his methods. Mr. Wessling cultivates automobile insurance salesmen and learns of the purchase of a car before it has left the floor of the dealer. He said that a man who buys a new car will not drive it out without insurance if an agent gets a chance to sell it. It is twice as hard to sell the insurance after he has had the car a few days. The thrill has worn off and he is beginning to think of the expense. Mr. Wessling declared that automobile insurance is the most intimate line sold. It brings more contacts with the assured than any other, and thus leads to the opportunity to sell the other kind, if the agent has established the right relations with the policyholder by good service.

Sells Top Limits

W. N. Buchanan told why and how he sells the higher limits on automobile liability. Since January he has sold 24 assureds with limits of \$100,000-\$300,000 and one with \$50,000-\$100,000. Among his customers have been several bankers, a bookkeeper and a janitor, all for the top limit. The upper limits cost so little that the sale is easy, once the reason for higher limits is pointed out. Mr. Buchanan uses the reports of current damage suit verdicts published monthly in The Casualty Insurer as his best clenchers.

G. A. Drodine of Rockford spoke on meeting competition. He said there is no competition except on price. His method of meeting competition is to point out that the most a man can save in premium is a few dollars while his only reason for buying insurance is to make sure that his loss will be paid. He points out how foolish it is to take doubtful insurance at a cut rate.

Include It as Routine

Field Assistant L. H. Cook spoke on automobile plate glass insurance. He declared that most agents overlook this coverage, but they are not selling their

(CONTINUED ON PAGE 47)

KIRKPATRICK GOES WITH CONTINENTAL CASUALTY

HAS HAD VALUABLE TRAINING

Gained Distinction as Statistician and Research Man With Casualty Information Clearing House

A. L. Kirkpatrick, secretary and treasurer of the Casualty Information Clearing House, announced his resignation this week to become effective May 15. He will become associated with the home office of the Continental Casualty in its liability department at Chicago.

Mr. Kirkpatrick has been connected with the Casualty Information Clearing House for the past five years, serving as secretary the last three years and also as treasurer the two last years. He is a graduate of the University of Michigan and entered the casualty insurance



A. L. KIRKPATRICK
Secretary Casualty Information Clearing House Goes With Continental Casualty

business immediately following his discharge from the army in 1918, becoming associated with the National Bureau of Casualty & Surety Underwriters, then known as the National Workmen's Compensation Service Bureau.

Subsequently he served as actuary of the Michigan Mutual Liability of Detroit and chief statistician of the Globe Indemnity in its home office. While with the Globe, Mr. Kirkpatrick represented that company on the actuarial committee of the National Council on Compensation Insurance during the general revision of workmen's compensation rates in 1920. He is a fellow in the Casualty Actuarial Society.

The past two years Mr. Kirkpatrick has spent a large portion of his time in the field meeting with the agents in various towns and cities over the country discussing with them their problems of mutual and reciprocal competition in the casualty business. Last year he was responsible for the initiation and carrying out of the plan of the "Insure in April" campaign for automo-

NEW HAMPSHIRE DECISION INVOLVES MUCH RED TAPE

SITUATION IS COMPLICATED

Expense of Calculating Differences and Question of Commissions on Reserve Is Troublesome

CONCORD, N. H., April 17.—The Preferred Accident, one of the companies involved in the New Hampshire automobile liability rate controversy, has notified Commissioner Sullivan that it will not ask for a renewal of its license and will not do business in the state until the present automobile rate difficulty is settled. The company has been in the state but a year or two and its volume of business has not been large. All the other companies have already signed the tentative court agreement or are expected to soon. Renewal licenses for companies are being issued as of April 1.

CONCORD, N. H., April 18.—Pending final decision by the courts, those casualty companies doing business in New Hampshire and charging the Dec. 12 rates for automobile liability coverage, must by court order deposit at stated intervals with the insurance commissioner of that state the premium differences between the Dec. 1 and the Dec. 12 rates in each instance where a policy is so issued. This is to be returned to the various policyholders by the insurance commissioner if the final court decision upholds his construction of the rating laws of that state, or to the companies, if otherwise. All of which sounds simple enough to the average man, but means in fact substantial additional expense by reason of additional accounting, etc., to the interested companies, and to their agents also, if the case is decided against the companies.

The agents will report the premiums written to the companies, and the companies must calculate each individual premium separately at the Dec. 1 rate and at the Dec. 12 rate also, and report the differences in full itemized detail in due course to the insurance commissioner, accompanying such reports with a remittance to cover the differences in premiums. On the many thousands of policies either now issued, or to be issued later by the various interested casualty companies through their agents in New Hampshire, this particular clerical work so required will alone mean an added expense to these companies running into very substantial figures. But this is not all of the story from the company standpoint. In addition to paying over to the insurance commissioner in cash these differences in premiums, which at the time the companies will not have received from their agents, the companies must set up full legal reserves thereon also, in due course, on the basis of the Dec. 12 rates, and not on those of Dec. 1.

bile insurance which was held in Illinois, Indiana and Michigan.

No action has been taken as to his successor and it is not probable that one will be chosen until the plan aimed to consolidate the activities of the various casualty bureaus which is being worked out has been consummated.

BEHA INSISTS THAT RULES BE OBSERVED

New York Superintendent Plain Spoken to the Surety Companies

ACQUISITION COST UP

Officials Decide That All Must Get in Line and Pledges Are Given

NEW YORK, April 18.—As a result of the plain speaking that took place at the two sessions of fidelity and surety underwriters in this city, an earnest effort will be put forth to make the acquisition cost agreement for the lines in question an effective instrument, not alone for New York City but throughout the country as a whole. A further general gathering of company executives will take place here on or about June 1, by which time offices that are now in violation will be expected to have put their houses in order and be in shape to conform strictly to their assumed obligations.

Average Cost Was 33 Percent

While 30 percent is the top cost permitted for the acquisition of business it developed according to figures submitted by the companies to the New York department, that the average cost in 1927 had been actually 33 percent, an excess of three points over the permissible figure. Superintendent Beha was not sparing in his criticism of such offices as had shown scant interest in the expense reduction program, intimating very broadly that unless the limit rules were lived up to pressure would be brought to bear through the medium of a rate reduction order from his department.

Seven Companies Were in Line

It is reported that seven companies amenable to the acquisition cost rules had fully qualified thereunder. An additional 17 were but little out of line, while a further number had strayed far from the straight path. It was to these that Mr. Beha particularly addressed himself, not failing to commend on the other hand, such institutions as had earnestly endeavored to make good their pledges. The primary reason for the excess charge of the business, it is understood, was the large number of agents who had been allowed the maximum commission of 30 percent. Offices named such representatives very freely in anticipation of the formation of a limitation agreement, and hoping that when such a plan was effected they would be able to retain a considerable percentage of their new field appointees. The adoption of the agency limitation rule, however, upset this calculation, and required that all contracts in excess of those permitted in each state or territory be cancelled.

Little complaint was made concerning conditions in New York City, where the

(CONTINUED ON PAGE 47)

SPECIAL TRIBUTE IS PAID JAMES J. MEADOR

AGENTS OUT FOR BUSINESS

United States Casualty Will Give Recognition to 25 Years of Service of Vice-President

NEW YORK, April 18.—On June 1 next James J. Meador will have rounded out 25 years continuous connection with the United States Casualty, having meantime advanced from a payroll auditorship to the vice-presidency and general managership. To attest their regard for the popular executive its agents during May will stage a particularly aggressive campaign for new accident and health business. It is a fair assumption that the volume will be a substantial one. The result of the effort will be made known at a dinner the executives of the United States Casualty and others whose connection with the company began coincident with that of Mr. Meador, will tender the latter in this city, probably on the evening of May 31.

In the years that have elapsed since 1903 the United States Casualty has built steadily and solidly. In the process Mr. Meador has borne a conspicuous part; in appreciation of which he was advanced successively to the assistant secretaryship, secretaryship and again to the vice-presidency and general managership. Under the immediate eye of President E. S. Lott since entering the service of the company, Mr. Meador so profited through the training under so efficient an administrator that today he is one of the trusted lieutenants of his popular chief and is able to shoulder many of the burdens heretofore borne solely by the latter.

NEW AMSTERDAM WILL INCREASE ITS CAPITAL

The directors of the New Amsterdam Casualty at their meeting last week, recommended that the capital stock be increased from \$2,700,000 to \$3,000,000, by the issuance of 30,000 new shares at \$56 a share. When the new capital is paid in, the capital and surplus will be in excess of \$11,500,000, reserves \$14,750,000, and assets more than \$26,000,000. A stockholders meeting has been called for April 23, to vote on the proposal.

Under the administration of President J. Arthur Nelson, the New Amsterdam Casualty has made commendable progress. He and his associates are regarded as aggressive men in the business and have put the company on the map.

Continental Casualty School

The Continental Casualty school for insurance agents in Chicago ended last week. Classes have been held from 4:30 to 6 p. m. on Tuesday and Thursday afternoons. P. H. Shipner, manager of the production department, and Gregory Crisp, assistant manager of the Chicago branch office, conducted the school, which last three months. The school has been very successful and it is expected that another session will start next fall. Last week Walter E. Krafft, secretary of the fidelity and surety department of the Continental Casualty, spoke on "Contract and Fidelity Bonds."

Will Visit Chicago

Vice-President Frank E. Sprague of the Union Indemnity of New Orleans and Arch McAllister, who was superintendent of agents of the International Indemnity and is now assistant to the vice-president of the Union Indemnity, will be in Chicago next week to readjust affairs there following the reinsurance of the International Indemnity's business in the Union Indemnity.

NO GAIN TO AGENT IN SUBMITTING POOR RISK

FIELD UNDERWRITING URGED

Dr. H. W. Dingman, Addressing Chicago Managers' Club, Stresses Moral Factor in Disability Business

That the underwriting of accident and health business must begin with the agent, and that the submission of doubtful risks is not really a profitable proposition for the agent himself, were the points particularly emphasized by Dr. H. W. Dingman, medical director of the Continental Assurance and Continental Casualty, addressing the first luncheon meeting of the newly organized Accident & Health Managers Club of Chicago Monday. More than 50 men were on hand for the luncheon, nearly doubling the attendance at the organization meeting, which was itself regarded as especially satisfactory.

Dr. Dingman started by tracing the beginning of disability insurance first among the friendly societies in Great Britain and later in the United States and the financial difficulties that encompassed them. He told of the successive development of various experience tables, each of which proved that its predecessor was inadequate. He said this bad experience, which has not been entirely overcome up to the present, was largely the result of fraud and feigning and that the problem for the companies is to ascertain the falsehood in advance of a claim.

Underwriting Done in Field

While underwriting is ordinarily regarded as a home office function, he declared that it is so only secondarily and that underwriting is primarily done in the field. He asserted that the agent, as a field underwriter, is responsible for the future of the disability business. Every agent, he said, does a certain amount of underwriting, as he does not submit risks that are known to be non-acceptable, but some agents will try to get by with the doubtful ones. The agent may think that if he can get the commission on such a case, he is that much to the good. Dr. Dingman pointed out, however, that if the net commission is, for example, \$20, that is one day's income for an agent earning \$6,000 a year. If he has to spend more than a day on the case, he is therefore losing money on it. In the case of the doubtful risk, he always has to spend some time selling it to the home office. He may be turned down by one company and have to try another, which means more time. If the risk is accepted and a claim is filed later on, there is sure to be more lengthy correspondence.

His Good Business Questioned

Furthermore the agent's name becomes associated with questionable business in the minds of the home office men and the good stuff that he may submit is scrutinized much more closely. It is this type that tells the home office how much other business is contingent on the acceptance of the current application. Such an agent, said Dr. Dingman, is not selling his clients—the clients are selling him. He is overselling the home office and underselling his clients.

In illustration of his statement and the future of the business is in the agent's hands, Dr. Dingman cited the history of the "non-can" business. As a result of poor underwriting by the agents, the companies got bad risks and more bad risks, until some of the companies in that field retired from it, while the ones that stayed have found it necessary to impose more and more restrictions.

Moral Factors More Important

In connection with either home office or field underwriting, Dr. Dingman expressed the belief that perhaps too much

GREAT AMERICAN HAS MET WITH REAL SUCCESS

GOT HIGH GRADE OFFICIALS

Has Started on Its Third Year of Existence Under Management of President Phillips

NEW YORK, April 18.—Having completed two years of corporate existence on April 12, Great American Indemnity of this city is now fairly launched upon the third year of its activity and with every prospect of continuing as a force in casualty underwriting for a long time to come. In the first six months of its career the company wrote \$476,617 in net premiums. During 1927 the figures had grown to \$3,576,414. The writings for each of the first two months of this year exceeded the total for the latter half of 1926. From the start the Great American Indemnity has adhered strictly to the conservatively aggressive course charted for it by its management, no material changes having been made in the past two years. The company now operates in 31 states and territories. South Carolina, Delaware and Idaho have been entered in recent months. Service offices are maintained at Los Angeles, Columbus, O., and Raleigh, N. C.

The Great American Indemnity is unique among the casualty underwriting institutions of the country in that it was launched with probably the most expensive managerial talent ever gotten together in a corporation of like character. President Jesse S. Phillips and each of his leading aids were men of exceptional capacity the salaries reputed to have been paid them were far and away higher than those received generally. The wisdom of this policy, though skeptically received by the fraternity at the time, has been fully demonstrated by the progress of the organization. It attests the soundness of the business maximum that "a high-priced man is usually the best investment a corporation can make."

Company Held Not Liable

Policy was issued to cover liability of insured in the operation of car by him as a jitney driver in public service, and its terms specifically limit liability to that incurred while car is being so used. The evidence showed at the time of accident, plaintiff was not operating the car in the public service upon his jitney route, but was driving it under his private markers upon his personal business. It follows that liability for which this action was brought was not covered by this policy and plaintiff could not recover under it even though it were reformed as prayed for. *Basta vs. U. S. Fidelity & Guaranty, Sup. Ct. Errors. Conn. 3rd Dist.*

Universal Indemnity Starts

The Universal Indemnity of Newark has been licensed in New York. The company is a running mate of the Universal Insurance Company of Newark. The two companies are managed by Talbot, Bird & Co., of New York. The Universal Indemnity has \$300,000 capital and surplus \$295,555. It will specialize on automobile insurance.

attention had been given to physical impairments. He said that he is more concerned with human nature and with personalities than with health and would prefer to know that a risk is fair-minded, rather than that he is neither over- or underweight.

He concluded by outlining a possible schedule of debit and credit factors for use in determining an applicant's moral hazard status, along the line suggested in his recent address before the Chicago Claim Association.

HOME OFFICE PROMOTIONS ARE MADE BY AETNA LIFE

DORWEILER MADE ACTUARY

Has Had a Well Rounded Career Fitting Him for His Work—Ensign Is Advanced

Announcement of two home office promotions is made by the Aetna Life. Paul Dorweiler, for nine years connected with the casualty actuarial department, was appointed actuary in the accident and liability department. H. A. Ensign, an employee of the company for 23 years, was named assistant cashier.

Mr. Dorweiler, a World War veteran, was born in Kossuth county, Ia. In 1904, he was graduated from Iowa State University and later studied post-graduate mathematics at the University of Chicago and post-graduate actuarial science at the University of Michigan.

After completing his studies at the University of Michigan, he was for two years a teacher of mathematics at Sioux City, Ia., high school and for three and seven years respectively an instructor in mathematics at the Armour Institute at Chicago and Carnegie Institute at Pittsburgh.

Served the National Bureau

Before joining the Aetna Life in 1919, he was connected for more than a year with the National Bureau of Casualty & Surety Underwriters and served for a period in an army training camp in the south.

Mr. Dorweiler is a member of the Casualty Actuarial Society, the American Statistical Association, American Mathematical Society, American Academy of Political and Social Science.

Mr. Ensign, the new assistant cashier, was born in New Haven and educated in the schools of that city. He came to Hartford in 1897 and was engaged for a short time in the shoe business. On May 1, 1905, he became an Aetna Life employee, starting his insurance career in the matured endowments division. Four years ago, he was transferred to the cashier's department and his new appointment is in recognition of his valuable service there.

Congress Time Schedule Issued

In order that agents or brokers desiring to attend the casualty sales congress to be staged by the Casualty Field Club of Illinois at the LaSalle hotel, Chicago, April 23, may cover only the subjects in which they are most vitally interested, the officers of the club have issued a time schedule for the program. The subjects to be discussed and the times at which the speakers will have the floor are as follows:

"Accident and Health," R. C. Larson of the Aetna Life, 10 to 10:30 a. m., followed by discussion; "Automobile and Other Public Liability Lines," by F. P. Stanley, Glens Falls Indemnity, 11 to 11:30 a. m., followed by discussion; 12:15 p. m., luncheon, during which J. A. O. Preus, Chicago, and G. E. Turner, Chicago, will speak; "Bonds, Including Check Alteration and Forgery," by W. T. Ashby, Globe Indemnity, 2 to 2:30 p. m., followed by discussion; "Burglary," by C. S. Clifford, United States Fidelity & Guaranty, 3 to 3:30 p. m., followed by discussion.

The sales congress idea and plan were enthusiastically endorsed this week at the meeting of the recently organized Accident & Health Managers Club of Chicago.

De Van & Co. Appointed

The New York Indemnity announces the appointment of De Van & Co. of Charleston, W. Va., as general agents for surety and casualty lines. R. P. De Van is president and active head of this agency. He is chairman of the executive committee of the National Association of Insurance Agents.

BANK BANDITRY IS GREATLY INCREASED

Protective Committee of the American Bankers Association Makes Comprehensive Report

URGES MORE PREVENTION

Most of the Robberies Take Place in a Limited Number of States—
Figures Are Given

AUGUSTA, GA., April 18.—A greater uprising in bank robbery than has occurred in several years has taken place in recent months, the executive council of the American Bankers Association was told here today by James E. Baum, manager of the organization's protective department.

"The six months ended Feb. 29, witnessed a greater uprising in bank robbery than our membership has suffered in recent years," he said. "Although night burglaries during that period show an increase of only two more attacks than the 16 reported last year, there were 98 daylight holdups, which more than doubles those reported a year ago against member banks."

Banditry Has Increased

"This fresh outbreak in the most dangerous form of robbery is not only without precedent in its sudden increase, it also matches the record for the first half of 1924, the peak year of bank banditry. Also it means that in six months bankers have lost virtually all the ground gained against banditry in the three preceding years. Unless they display greater and more effective resistance during the next six months, when the weather will make every road an open road for bandits, it may furnish a spectacle unequalled in the history of banking—an average of more than one robbery every business day."

Where Robberies Take Place

In the past the protective committee has directed attention to the fact that the majority of bank crimes of violence are staged in a few states and this year is no exception. During the current period, banks in California, Missouri, Oklahoma and Texas accounted for 71, or nearly two-thirds of the 116 burglaries and robberies reported for the entire country. In California alone 32 bank holdups were reported since last August, as compared with its three daylight robberies in the same period last year. Twenty-six of these 32 attacks in California were directed against branch banks in outlying or rural communities.

Portable Machine Guns

"The presence of portable machine guns in four holdups during the past ten months sounds a warning that should not be wasted on any bank, large or small. The situation is serious enough to command more intensive effort by bankers toward helping themselves to protection and sound banking includes self-protection."

"In presenting this deplorable picture of current events in bank crimes the protective committee is forced to the conclusion that, although crimes of violence are not always preventable, they continue to occur more frequently where resistance is weakest. Invariably our investigations reveal that (1) an excessive amount of cash was available and unguarded, particularly on the counters, (2) modern alarm systems or other protective equipment were not installed, or (3) the robbery would have been frustrated or loss minimized by the observance of a few simple precautions. In

(CONTINUED ON PAGE 48)

PRESIDENT ST. JOHN POINTS OUT THE VALUE OF GOOD WILL IN BUSINESS

PRESIDENT E. A. ST. JOHN of the National Surety in his talk before the New York City brokers this week on the value of good will said in part:

"It's difficult to find a dictionary definition that adequately conveys any idea of what good will really is. But the thought I like best of all is that it represents the sum total of all the thoughts of all the people who have ever done business with you, who have ever heard of you, or who may ever hear of you from others."

"Every word you've spoken since you started in business, every action, every line you've written in your correspondence has either helped to build up or to tear down the good will of the public for your insurance agency or brokerage house. It's impossible to take a neutral course. Either you're building up or you're tearing down good will for yourself, your agency, and for the companies you represent, every minute, every hour of the day. And those agencies have become great and those companies have become great who have deserved greatness because their actions and their attitude were always such as were building up their friendly business relationships rather than tearing them down. So always remember this fundamental. The way to build up good will is to deserve it."

Component Parts

"What are the component parts of this state of the public mind we call good will?"

"First, is to play square with the client and with the company. There is nothing that will so surely build for better and bigger business as to have everybody recognize that a man or an agency is absolutely on the square, that his representatives can be depended upon 100 percent and that he wouldn't take advantage of anyone to make a profit for himself."

"Then there's the question of service. That broker builds the most securely who serves his public best, and in order to serve he must study new methods, analyze new coverages, familiarize himself with all the conditions of his client's business and be constantly striving to increase the wall of insurance protection that he is responsible for maintaining around the assured's premises and his business enterprises."

"In the third place, he must always build along constructive lines. Nothing really great is ever accomplished by tearing down, by cutting rates, by unethical competition. The only way that a great structure of good will shall be a permanent asset grows up year after year, and decade after decade, is by always working along constructive lines, building ever by service and by superior knowledge and judgment."

Good Will as a Pendulum

"I like to think of good will in the terms of insurance business as a pendulum, swinging back and forth, between the insured and the company, the broker representing the pendulum. The perfect pendulum is swinging just as far one way as it does the other. Otherwise it will not continue to swing long. First it swings towards the customer, finding out his circumstances and conditions, his need for protection, his uncovered insurable hazards. Then it swings back towards the company, recognizing that the broker has just as great a duty towards the company as he has towards his customer. That he must serve the company as well as the insured, and must serve them by his manner of submitting his risks and claims, by leaving no stone unturned to give proper underwriting data, by presenting his cases in a full and complete manner, by seeking ever and always for justice and right in connection with any claim matter rather than by trying to force an unfair

settlement upon the company for the benefit of his client."

"Then our broker pendulum, having secured the utmost from his company because he was willing to swing just as far in its direction as he did in the direction of his client, is again able to swing back to his client with the utmost in the way of service, in the way of well written coverages, in the way of prompt and satisfactory claim settlements. If the broker is willing to maintain his center or judicial position, is ready to swing just as far in the direction of the company as he is in the direction of the client and always to maintain a proper judicial balance, he becomes better able to serve his clients, because the companies he does business



EDWARD A. ST. JOHN
President National Surety

with learn to rely upon his word, know that he will not present a claim if it isn't justified and that he will not recommend the writing of a bond unless his good judgment tells him it ought to be underwritten."

"And the company, on the other hand, soon learns what brokers can be depended upon to sell and deliver their business as to enable the company to make a profit and what brokers are interested only in getting the utmost possible commissions for themselves and in trying to force the company to take lines that they know are likely to be disastrous, by threat of taking away the good lines of business unless the company will accept the more hazardous lines."

"Any company that desires to build up good will,—and to build this up is the prime object of the existence of every company,—any company knows that it must look to its brokers and agents to build up this favorable public acceptance for its goods. For in the eyes of the insuring public the brokers are representatives of the company. They form the only point of contact and the best brokers usually are to be found representing and placing their business in the best company and the smaller and more insignificant brokers will of necessity ally themselves with the smaller and weaker company."

"You brokers and insurance agents of New York City have the greatest single insurance field in the world for cultivating, and you should have,—and undoubtedly you do have,—the best and most alert insurance fraternity upon the face of the earth here on this little island. I don't know how large a comparative volume you are writing in other lines but I do know that in surety and fidelity lines, more than 30 percent of the total business of the United States comes from Greater New York alone."

METROPOLITAN PLANS TO TRY ARBITRATION

Company Will Cooperate with American Arbitration Association on Auto Accident Cases

JUNE 1 STARTING DATE

Carrier and Arbitrators Believe Law's Delays Will Be Overcome Under New Settlement Plan

NEW YORK, April 10.—Inspired, apparently, by the conviction that automobile traffic congestion on highways is a much less serious matter than the alarming accumulation of automobile accident litigation which congests our courts and obstructs their judicial functions, Edmund J. Donegan, first vice-president and general counsel of the Metropolitan Casualty, has evolved what should prove a practical plan for obviating the law's delays and insuring prompt and just awards.

As a development of that plan, the Metropolitan Casualty announces that for an experimental period of one year beginning June 1, 1928, or earlier if the effective machinery can be provided, it will consent to the immediate arbitration, under the rules of the American Arbitration Association, of any claim for damages for personal injuries growing out of an accident covered by a Metropolitan policy. The benefits to be derived from applying this principle of arbitration have been carefully weighed by President J. Scofield Rowe of the Metropolitan Casualty and by President Lucius R. Eastman of the American Arbitration Association, and the program of cooperation already agreed on by these two organizations may well result in lightening the burdens of taxpayers, as well as in saving the deserving claimant many hours, sometimes days, now spent in attending the disposition of a congested court calendar.

Cooperation Assured

"The American Arbitration Association," says President Eastman, "has collaborated with the Metropolitan to the end that this important new step shall find ready ways and means to facilitate casualty insurance arbitration. It offers its further cooperation and facilities in the belief that this provision for immediate arbitral relief will not only serve greatly to ameliorate congestion of our courts but will also prove one of the most constructive steps ever undertaken."

The association's ability to render invaluable aid in the carrying out of such a plan is evidenced by the fact that it now has 3,170 arbitrators covering every state and more than 1,135 cities and towns. The spirit of fairness in which it will collaborate is also assured by its prestige and membership. Its honorary presidents are: Charles Evans Hughes, Herbert Hoover, Newton D. Baker, Judge Moses H. Grossman and Charles L. Bernheimer. The roster of its officers and directors includes many of the most illustrious names in American finance and commerce.

Principal Long Favored

The Metropolitan Casualty has always favored the principal of arbitration but has labored with the obvious difficulty of applying it to third party cases. Under the caption "A Pledge to the American Bar," it is now using the advertising columns of the press to record its willingness to have claims under its policies determined by impartial arbitrators

(CONTINUED ON PAGE 48)

GIVES AGENT COMPANY VIEWPOINT ON CLAIMS

**F. M. Feffer of Abraham Lincoln
Life Tells His Company's Method
of Educating New Men**

COOPERATION ESSENTIAL

**Claim Men Urged to Consider Effect on
Agency Force in Border-Line
Cases**

The importance of educating new agents writing accident and health insurance on the claim end of the business was emphasized by F. M. Feffer, vice-president of the Abraham Lincoln Life, speaking last week before the Chicago Claim Association on "Coordinating the Agency and Claim Departments." He told of the especial attention given by



F. M. FEFFER
Vice-President Abraham Lincoln Life

his company to inculcating the company viewpoint in regard to claims in every new agent with whom a contract is made. He stated that in many cases as much time is given, when such an agent first visits the home office, to the claim angle as to the matter of developing new business.

Factor in Agent's Success

"He is told that the manner in which claims are paid to his policyholders will tend to make him either successful or unsuccessful," said Mr. Feffer, "that it is impossible to pay each claim in accordance with proofs submitted because unfortunately not every policyholder is entirely honest in his dealing with the company and that very often he will secure an application from a prospect, who from his physical appearance and answers to questions on the application appears as a first class risk, but unknown to the agent he may have had a very unsatisfactory claim record with previous companies, or may for one of many other reasons be an undesirable policyholder. This information may not have been available at the time the policy was issued, but unless the new agent is informed that such conditions do frequently arise, he may take the wrong attitude with the claimant prior to getting the company's viewpoint, if a claim controversy arises regarding this particular type of applicant.

"So we caution the new agent not to jump at conclusions if the claim department has seen fit to reject a claim or to

NEW TEXTBOOK ON FIDELITY AND SURETY BONDS HAS BEEN ISSUED

WHAT will undoubtedly prove to be a standard textbook for agents on fidelity and surety bonds has just been issued by George R. Wentz, recently promoted to be vice-president of the Detroit Fidelity & Surety. Mr. Wentz has had long experience in the business, having started as a young man with the Fidelity & Deposit. He has a thorough understanding of what agents need in the way of a practical book of information. His new "Handbook of Fidelity & Surety Bonds" is a comprehensive treatment of the subject, without being too technical. His design has not been to produce a technical work, nor one even which would cover the whole ground of the extensive and rapidly extending subject of fidelity and surety, but to produce a book which should be adapted to the daily needs of insurance men.

Purpose of the Book

The design of the book is to introduce fidelity and surety bonds as one of the most important branches of insurance, encourage production and provide a general outline of underwriting principles. Many agents still treat fidelity and surety as in the early days of the business, as a side line and do not go into it because they have visions of formidable technicalities. Mr. Wentz holds that the lines should be placed on the same level as the other major branches of insurance and that successful production of business does not require specialists of unusual qualities. Give a little study to the general principles of the business, he thinks, and learn to visualize the bonding opportunities in the constantly changing business and political conditions, will open the door to a very profitable and interesting field.

Agent Should Be Informed

Mr. Wentz says that the agent should be informed as to the specific protection accorded by each bond, and know its proper place in business structure. Of course, a study of the insuring clauses of the various bonds is important. To a very considerable degree the principles of successful surety bond production lie in the ability to apply sound common sense in sizing up a business proposition and presenting the facts in such manner that the company can intelligently determine the extent of credit justifiable. The second step is the agent's knowledge of his territory. By studying the various characters of business, and keeping an intimate contact with changing conditions and happenings, he will know his prospective customers and their needs. This is particularly essential, as the opportunity to secure business is frequently the result

of unforeseen occurrences and situations which necessitate prompt action.

Opportunities in Bonding Field

Briefly stated, the opportunities in the bonding field include the following:

Banks (large and small)—Individual or schedule bonds guaranteeing the honesty of officials and employees. Bankers' blanket bonds. Depository bonds guaranteeing the safety of public and private deposits.

Building and Loan Associations—Individual or schedule bonds guaranteeing the honesty of officials and employees.

Mercantile and Industrial Concerns—Individual or schedule bonds guaranteeing the honesty of officers and employees. Depository bonds guaranteeing the safety of cash reserves deposited in banks.

Local and National Fraternal and Beneficial Organizations—Individual or schedule fidelity bonds guaranteeing the honesty of officers. Depository bonds guaranteeing the safety of cash reserves deposited in banks.

Private Educational and Semi-Charitable Institutions—Fidelity bonds guaranteeing the honesty of officials.

Contractors—Contract bonds are generally required on all public work such as federal, state, county or municipal road and paving jobs, bridges, sewer construction, buildings, etc.

Lawyers—There is a bond required in nearly every legal proceeding such as the appointment of guardians, trustees, executors, etc. Replevin, garnishment, attachment and similar bonds required in suits at law and in equity courts.

Public Officials—Most public officials are required by law to give suitable bonds. Bonds of deputy officials. Depository bonds, frequently in large amounts, covering the safety of public funds on deposit in banks.

Offers Complete Survey

Mr. Wentz's book is bound in flexible cover and contains 12 chapters of 289 concisely written sections. It offers a complete survey of the principles of fidelity and surety bond production and underwriting.

The National Underwriter Company has become selling agent for Mr. Wentz's book, outside of Mr. Wentz himself, and will be glad to furnish copies on order by return mail at the regular price of \$2.50 each, with lower rates for quantities. Agents who have seen the book are enthusiastic over it. One salesman has sold five copies in as many calls. It is very likely that this book will find its way into the hands of virtually every fidelity and bonding agent.

pay less indemnity than the applicant desires. We explain to the agent that when a claim is submitted, a complete history of the claimant is obtained relative to the present claim, as well as previous ones, for the company may have information of which the agent may be ignorant and which must be given the proper consideration. Therefore, the proper schooling of the agent in the functioning of the claim department allows him to acquire the company's viewpoint and avoids embarrassment in the field."

To give the agent a concrete illustration of the points involved, a review is often made of certain pending cases, where on the face of things the claim appears to be entirely regular, but there are certain circumstances which cause it to be regarded with some question. The agent is thus shown how similar cases may arise in his own territory and is better prepared to deal with them when they do arrive.

Mr. Feffer said that in many cases he has taken much time in straightening

out an agent regarding the proper attitude that he should assume toward the claim department. When the agency building department takes this attitude, it has a definite effect on the business. Frequently when such an agent next meets a claim man, or in future cases in which there is some question, he has more of the spirit of the claim department and more eagerly demonstrates his loyalty to the company, which in the end results in his financial betterment.

When an agent, who objects to the rejection of a claim, takes the matter up with the agency department instead of the claim department, the matter is referred to the claim department without comment. If the claim department decides on the rejection of the claim, the agency department advises the agent that the company's action is final, but attempts to go into detail probably a little more extensively than has the claim department, in attempting to mitigate any hostility that has arisen in the agent's mind, predicated upon a lack of

(CONTINUED ON PAGE 48)

PLATE GLASS RATES RECEIVING ATTENTION

**Company Officials Are Holding
Meetings to Discuss the
Conditions**

TALK ABOUT BEHA ORDER

**Declare That the Business Will Not
Warrant 25 Percent Reduction
in New York**

NEW YORK, April 18.—Representatives of some 30 plate glass insurance companies held an informal gathering here Thursday, its purpose being to consider general field conditions and particularly the New York state situation. A further gathering is scheduled for the same place Thursday. By that time the tabulated result of operations in the Empire State during 1927 will have been completed, and, it is hoped, Superintendent Beha of the insurance department will have granted the petition of the companies for a rehearing of his order calling for a reduction of rates of 25 percent in this state effective on and after May 1.

Companies Took Premature Action

Mr. Beha's initial order required that the reduction go into operation April 1, but this was changed to 30 days later. Meantime two important companies notified their agents throughout the state of the anticipated rate change, creating thereby considerable confusion throughout the fraternity. Representatives of the great majority of the offices, who had not been so advised, wrote their companies inquiring as to what course they should pursue.

Now that the 1927 figures of the plate glass business are available it is revealed that the aggregate premium income of the companies as a whole is \$15,629,181; less than it was for either of the two preceding years; a result attributed in part to the rate reductions that have been enforced in various territories from time to time during the past 12 months.

Business Has Been Lost

Conference companies complain of the loss of business to non-affiliated stock and mutual organizations, many of which are very active, particularly in sections of the middle west and upon the Pacific Coast. A study of the 1927 returns shows that while the premium income of many of the leaders in the field have fallen off steadily, the smaller and newer concerns have made rapid gains. Some managers are inclined to assign the loss of business to the growing popularity of the 50-50 form of contract; type of coverage that certain of the mid-west offices are specializing upon, and which unquestionably makes an appeal to many assureds.

New York Attracts Attention

While conditions throughout the country as a whole are rather disquieting those in the Empire State are receiving major attention in the light of the heavy rate reduction order of the insurance department.

The 42 companies writing plate glass business in New York in 1927 reported total premiums of \$4,309,136, as against \$3,965,034 the previous year. The company leading in point of income was the New York Casualty, which secured \$419,417. In turn it was followed by the Lloyds Plate Glass with \$388,202; Metropolitan Casualty, \$312,765; Travelers Indemnity, \$311,509; Fidelity & Casualty, \$235,969; New Amsterdam Casualty, \$235,494; Commercial Casualty,

(CONTINUED ON PAGE 48)

ARE YOU SELLING FIDELITY & SURETY BONDS?

Yes or No—You should Read

"The Handbook of Fidelity and Surety Bonds"

Just completed by

GEORGE R. WENTZ, Vice President
The Detroit Fidelity & Surety Company

Price \$2.50 postpaid

A complete survey of the principles of fidelity and surety bond underwriting is now for the first time, available in book form. "The Handbook of Fidelity and Surety Bonds" is designed especially to suit the daily needs of insurance men. It is a comprehensive treatment of the subject without being too technical.

Thoroughly Indexed

The most valuable feature of this new book is the manner in which every paragraph is given a number corresponding with a complete index by subjects given in the front of the book.

Profitable and Interesting Fields

Just a little study of the general principles of the bonding business will show you the opportunities and will open the door for you to a very profitable and interesting field.

The average fidelity and surety agent has long been handicapped by the lack of a hand-book which would give a practical and easily understood treatment of surety bonds from the selling standpoint.

Fire and casualty agents have hesitated to go into the bonding business because they have imagined that it is too highly technical for them to grasp easily. Mr. Wentz has solved this problem for them in his new book which gives all that an agent needs to know, in simple and non-technical language.

As will be seen by the list of subjects under the various headings of the various bonds [fidelity bonds, blanket bonds, contract bonds, fiduciary bonds, investment of trust funds, court bonds, public official bonds, depository bonds, license and permit bonds, customs bonds and miscellaneous bonds], this book shows the great field that is open to any live insurance man in a large city or in a small town.

Equip yourself for Bond Underwriting

With the aid of this hand-book you can go into the fidelity and surety business with the assurance that you can handle virtually all of the problems that may be put up to you.

Space prohibits complete description. Let us send you a copy for inspection so that you can see the real value in "The Handbook of Fidelity & Surety Bonds." If you don't wish to keep it, you may return it for any reason—but don't fail to see the new book.

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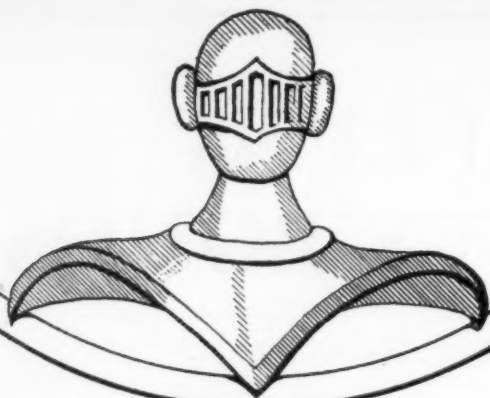
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This is The Month!

April is Automobile buying month. April is Automobile Insurance Month. April is a big month for Southern Surety representatives.

For Southern Surety Agents have an automobile policy that is understandable, dependable and free from frills. It is coverage that you can sell.

Futhermore the sale of Automobile Insurance is but the stepping stone of the sale of such coverages as Surety, Fidelity, Health and Accident, Plate Glass, Burglary, Workmans Compensation and Liability Insurance.

Fully equipped, the Southern Surety man has a real advantage—why not secure for yourself a similar advantage—Address the Agency Department for information.

SOUTHERN SURETY COMPANY

HOME OFFICE
DES MOINES, IOWA

C. S. COBB, President

START INVESTIGATION OF SURETY BUSINESS

MILWAUKEE COUNTY ACTION

Election Opponents Claim Insurance
Men Who Are Officials Write
Contract Bonds

MILWAUKEE, WIS., April 18.—A sweeping investigation of the surety business as practiced in Milwaukee county, as affecting the writing of surety bonds on contractors doing public work, has been started here by District Attorney Eugene Wengert. He has instituted John Doe proceedings to bring before him for questioning any person believed to have information relative to these public contract bonds. It is predicted that before the Milwaukee county investigation is through, a similar investigation will be made throughout the rest of Wisconsin.

Sources close to the situation state that this has been brewing for a long time and it was brought to a head as a result of the mayoralty campaign in West Allis. O. O. Inman, running against Mayor Delbert Miller in the campaign is alleged to have made charges that Mayor Miller, who was re-elected, had written surety bonds on city contracts covering the contractors doing the work, and that this was illegal.

Circulate Pamphlet

Mayor Miller is a member of the insurance agency of Miller & Velsor, representing the Southern Surety. Mr. Inman charged that this firm wrote the surety bonds as officers of Meigs & Cope, general agents for the Southern Surety at Milwaukee. A pamphlet circulated during the campaign by the Inman forces alleged that 27 bonds had been written on city contracts by Miller & Velsor.

The Southern Surety, Meigs & Cope, and Miller & Velsor started action in Milwaukee last week against Mr. Inman and other defendants, including George C. Hinkley, president, and John Loos, vice-president and manager of the insurance department of the Hinkley Co. agency at West Allis.

As a result of information brought out in preliminary proceedings in this West Allis case, District Attorney Wengert ordered the John Doe investigation. Previous to this he had questioned more than 50 contractors in Milwaukee county, regarding their surety bond coverage.

Investigation Temporarily Postponed

He announced Monday, however, that the investigation would have to be temporarily postponed due to other work in his office but it is expected that John Doe warrants will be issued before the end of this week and that the investigation will be in full swing.

When the investigation of the activity of officials in selling bonds to contractors starts it is believed that all aldermen in the city of Milwaukee and all county supervisors, as well as officials of suburbs will be called before him and questioned, whether they are in the insurance business or not. The investigation is not necessarily limited to bonds and other insurance, for it is a violation of the law for officials to have a direct or indirect interest in any profits made from city or county business.

Asked to Delay Examination

Attorney Joseph E. Tierney, representing the Southern Surety and the other plaintiffs in the West Allis case, has been requested by the district attorney to postpone examination of the defendants under the discovery statute, which was scheduled for today, until after the John Doe investigation. They will be witnesses at the John Doe hearing.

The contractors who have been questioned by District Attorney Wengert admitted that they were asked about bonds

FIDELITY AND DEPOSIT INSTRUCTION SERIES

MOBLEY IN CHARGE OF WORK

Company Offering Educational and
Business Getting Talks at Its
New York Office

NEW YORK, April 18.—The first of a series of instructive lessons which the Fidelity & Deposit intends holding each Tuesday and Thursday afternoon for several weeks, was given at the local branch yesterday being attended by a considerable number of brokers, as well as clerks and other employees, both of the Fidelity & Deposit, and of other companies. The program will be carried out under the general direction of Nathan Mobley, production manager, while talks on each of the more important divisions of fidelity and suretyship will be given by specialists, several of whom will come on from the home office of the Fidelity & Deposit at Baltimore for that purpose. A similar class of instruction was held at the headquarters of the company last year, and proved so successful that it was decided to extend the general idea to this city. While a considerable number of metropolitan brokers now write surety business, the majority do not, merely accepting such occasional lines as are offered them by their clients. Mr. Mobley feels that if the middle men can be made to appreciate the extent of coverages supplied by the surety companies, they would aggressively take up the business; the possibilities of which can scarcely be measured.

Though a young man Mr. Mobley has had a broad experience in business soliciting throughout the middle west, having traveled a number of states for the Fidelity & Deposit for several years before being transferred to this city as head of the production division of the company's New York City branch. He is a clear and intelligent speaker; knows his subject and is able to impart the information to others. The instruction course now underway should prove a popular one and doubtless will prove the forerunner of similar classes in other cities of the country.

Joins Pennsylvania Surety

H. E. Wade, who for the past five years has been connected with the underwriting and agency departments of the Kenneth Watkins Corporation, Michigan general agents for the General Accident, has been appointed manager of the Michigan branch office of the Pennsylvania Surety of Pittsburgh. Mr. Wade has been engaged in the casualty and surety business for the past 12 years and is well known in Michigan insurance circles.

Casualty Organizations Move

On April 16 the Workmen's Compensation Publicity Bureau moved into new quarters at 1 Park avenue, New York City. Other organizations that have moved to the same address are the Association of Casualty & Surety Executives, International Association of Casualty & Surety Underwriters, Bureau of Personal Accident & Health Underwriters and the Committee on Nine on Financial Responsibility for Automobile Accidents.

furnished by them to guarantee performance of contract on city and county business and were also asked who wrote the bonds. In many instances, it was said, they were written by city and county officials.

A similar practice, it is indicated, exists in the state. Officials in some counties it is claimed, have insisted upon writing the bonds for contractors engaged in performing municipal and county work.

Premiums and Losses in 1927 in KANSAS on All Classes of Casualty Business

	Total	Auto. Liab.	Other Liab.	Work. Comp.	Fidelity-Surety	Plate Glass	Burglary	Prop. D. & Col.
	Premia. Losses	Premia. Losses	Premia. Losses	Premia. Losses	Premia. Losses	Premia. Losses	Premia. Losses	Premia. Losses
Aetna Cas.	\$ 100,261	\$ 51,090	\$ 12,449	\$ 1,677	\$ 629	\$ 400	\$ 41,928	\$ 32,228
Aetna Life	274,465	121,851	36,600	5,349	44,149	4,326	150,018	86,956
Amer. Auto.	78,182	26,867	22,396	11,020				
Amer. Employers	10,554	1,611	1,639		574	3,728	1,495	2,896
Amer. Mut. Liab.	4,076	4,609	243		318	3,314	4,609	
Amer. Sur.	86,532	32,898					74,683	18,957
Central Mut. Cas.	3,210	485	248				140	
Central Sur. Mo.	57,134	18,959	16,101	7,359	2,010		11,700	13,943
Century Indem.	1,063							
Columbia Cas.	39,665	31,448	3,309	3,287	1,767	2,375	1,739	1,063
Commercial Cas.	14,205	2,592	1,980		432	25	5,826	2,116
Continental Cas.	184,092	68,734	19,839	13,532	4,249	1,242	23,729	10,363
Continental Indem.	2,435							
Detroit Fld. and Sur.	29,644	9,577	473		65		773	
Eagle Indem.	18,593	2,645	4,044	42	360		29,644	9,577
Employers Indem.	25,945	18,724	4,460	3,730	1,060		6,042	3,305
Employers Liab.	56,283	12,969	4,600	203	3,536		35,932	10,549
Federal Surety	54,732	16,377	8,218	227	2,515	1,906	24,540	6,970
Fidelity and Casualty	50,453	15,225	3,601	972	2,068	503	13,820	10,581
Fidelity and Dep.	181,723	85,574					166,767	80,492
Fidelity Union Cas.	4,458	1,383	2,562	293	212			
General Accel.	139,291	93,367	34,177	41,215	9,573	165	56,164	33,149
Gen. Cas. and Sur.	16,127	3,676	1,756	80	117		10,689	3,715
Georgia Cas.	8,345	13,872	2,867	364	1,027		2,584	11,753
Globe Indemnity	41,477	40,199	3,114		3,463	1,000	22,564	15,206
Great Amer. Cas. Ill.	15,767	3,120						
Great Amer. Indem.	2,898	41	28		1		168	
Hardware Mut. Cas.	4,549	923	2,011	510	13			
Hartford Accident	250,567	119,480	49,108	14,737	23,800	3,620	89,680	72,444
Indemnity of America	20,362	4,523	11,502	2,159			18,384	6,396
Indemnity of No. America	46,037	8,508	10,796	653	2,528	229	11,249	6,377
Independence Indemnity	45,813	11,793	3,424	160	1,998	200	12,842	8,166
International Indemnity	136,063	54,540	63,136	17,631			15,868	1,041
Kansas Bank Surety	95,450	48,753					2,516	143
Liberty, Ohio	169	188	104				95,350	48,783
Liberty Mutual, Mass.	9,463	4,501	657	49	13	1,500		
Lloyds Plate Glass	9,487	2,858					2,309	
London and Lanc.	1,181	2						
London Guarantee	60,457	39,642	11,592	5,627	5,644	488	29,985	2,985
Lumb. Mutual Casualty	10,393	3,176	2,747	672	632		4,851	1,313
Maryland Casualty	134,794	90,384	21,701	4,196	5,484	1,152	50,350	59,723
Mass. Bonding	33,795	12,864	2,385	400	167			
Medical Protect.	29,490	7,562					6,453	
Metropolitan Casualty	14,023	2,299	1,194		465		1,774	570
National Surety	122,177	54,416					4,282	401
National Union Indemnity	15,737	1,520	9,451	592	386	46	88,407	48,352
New Amsterdam	39,202	20,868	974	4,100	2,188	226	12,656	17,542
N. J. Fld. and P. G.	24,895	8,435	153		721	555	6,110	3,287
New York Casualty	5,490	1,423	157					
New York Indemnity	54,171	21,289	13,039	10,721	9,398	75	11,786	7,020
Norwich Union	—4,047	24,659	—4,823	1,441	2,408	128	9,858	17,959
N. W. Cas. and Sur.	353	—578	52					
Ocean Accident	223,128	119,801	19,461	4,964	13,330	1,023	86,719	58,258
Ohio Casualty	72,796	28,019	20,608	8,712	180	1,075		
Phoenix Indemnity	245,661	61,738	45,056	7,902	13,727	863	112,984	31,072
Preferred Accident	9,783	1,141	245	100	62		4,945	94
Republic Casualty and Surety, Ill.	32,293		13,142					
Royal Indemnity	124,856	66,321	14,839	8,906	8,510	252	45,172	40,381
St. Paul-Mercurey Ind.	8,301	7,057	342				22,340	4,905
Southern Surety	185,136	76,387	4,533	23	7,422	1,759	47,073	23,409
Standard Accident	89,378	48,400	21,491	2,902	6,063	1,537	20,091	26,441
St. Farmers Mut. Auto.	11,077	1,809	2,968	638				
Sun Indemnity	6	3,037	958	646			326	
Travelers	410,855	252,505	52,519	29,878	26,651	4,274	225,332	143,275
Travelers Indemnity	72,211	32,045			3,478	147		
Union Auto, Cal.	16,354	3,241	7,116	151				
Union Indemnity	23,083	12,207	1,359	30	1,743	15	10,844	9,478
United States Casualty	26,645	26,615	15,244	2,629	831		1,583	15,169
United States Fidelity and Guaranty	449,817	316,941	24,207	6,967	20,398	2,445	265,063	244,755
Western Auto.	67,919	34,745	43,960					
Western Auto, Cas.	57,907	24,221	49,083	17,528				
Western Casualty, Ill.	50,514	58,436				6,112	50,514	52,324
Wisconsin Auto.	2,945	46	545					
Zurich	83,444	50,122	11,829	8,174	6,672	150	32,034	34,327
Total, 1927	\$6,151,448	\$3,044,534	\$699,853	\$248,911	\$278,279	\$7,900	\$1,565,026	\$1,134,423
Total, 1926	\$6,703,917	\$3,180,200	\$899,544	\$223,020	\$265,752	\$5,936	\$1,780,867	\$1,311,651

*Total of all casualty business, including classes shown below. Company totals above include other classes shown in groups below.

Companies Writing Other Classes of Casualty Business in KANSAS

ACCIDENT AND HEALTH		NON. CAS. H. & A.		ENGINE AND MACHINERY	
Premia.	Losses	Premia.	Losses	Premia.	Losses
Aetna Cas.	\$ 479	\$ 26	Aetna Cas.	\$ 323	
Aetna Life	42,984	22,405	Aetna Life	4	
Ben. Assn. Ry. Emp. .	62,185	30,283	Business Men's Assur. .	437	
Brotherhood Accel. .	6,747	2,815	Columbian Nat. Life. . .	803	
Business Men's Assur. .	254,195	163,811	Conn. General	532	
Columbia Cas.	334		Continental Cas.	2,815	
Columb. Nat. Life. . .	7,072	2,099	Elkhorn L. & A.	1,757	869
Commercial Cas. . . .	1,164	359	Employers Indem.	1,088	
Commonwealth Cas. .	10,388	1,994	Equitable, N. Y.	3,945	672
Conn. Gen'l.	1,528	25	Great Northern L.	89	
Constitution Indem. .	1,835		Great Western	629	307
Continental Cas. . . .	100,271	34,086	Loyal Protect.	71	
Continental Life, Mo. .	6,351	7,083	Mass. Protect.	128,488	90,427
Eagle Indem.	264		Metropolitan Life	435	25
Elkhorn L. & A.	66		Monarch Accel.	30,854	23,881
Employers Indem. . . .	9,979	4,365	Pacific Mut. Life.	21,084	11,163
Employers Liab.	406		Sentinel L. Mo.	1,848	
Equitable, N. Y.	95	79	Travelers	1,016	243
Federal Life, Ill. . . .	98,257	50,736			
Federal Reserve L. . .	43,780	19,695			
Fidelity & Cas.	9,560	3,534			
Fld. Union Cas.	4,729	524			
General Accel.	8,414	4,040			
Globe Indem.	3,828	1,204			
Great Amer. Cas. . . .	15,528	3,092			
Great Amer. Indem. . .	81	41			
Great Northern	34,122	15,096			
Great Western	93,757	40,451			
Hartford Accel.	20,488	7,593			
Income Guar.	6,136	5,120			
Indem. of N. Am. . . .	1,193	230			
Independence Indem. .	1,821	390			
International Indem. .	439	50			
Inter-Ocean Cas. . . .	5,063	2,584			
Liberty Life, Kans. . .	74,259	15,691			
London Guar.	3,442	1,029			
London & Lanc.	20	67			
Loyal Protect.	7,003	5,081			
Lumberman's Mut. . . .	15				
Maryland Cas.	12,716	19,216			
Massachusetts Bonding. .	12,757	11,312			
Massachusetts Protect. .	16,217	10,739			
Metropolitan Life . . .	104,974	55,939			
Midwest Life	25,401	11,220			
Missouri Ins. Co. . . .	48,583	27,697			
Missouri State	4,449	2,818			
Monarch Accel.	3,693	1,523			
National Accel.	19,935	6,196			
National Cas.	11,891	5,949			
National Life & Accel. .	143,411	64,460			
National Life, U. S. A. .	2,627	773			
New Amsterdam	702	133			
N. Y. Indem.	1,231	704			
No. Amer. Accel.	43,568	12,052			
N. W. Cas. & Sur. . . .	25				
Norwich Union	—150	853			
Ocean Accel.	3,314	855			
Old Line, Neb.	187	14			
Pacific Mutual	35,206	25,474			
Phoenix Indem.	3,228	—212			
Preferred Accel.	3,703	859			
Provident L. & A. . . .	12,066	10,312			
Reliance Life	4,959	2,414			
Ridgely Protect.	26,000	17,159			
Royal Indem.	8,471	5,196			
Sentinel L. Mo.	13,185	2,694			
Southern Sur.	42,336	17,915			
Standard Accel.	19,422	14,332			
Sun Indem.	99	361			
Travelers	105,318	74,933			
Travelers Indem.	1,243	809			
Union Indem.	794	237			
United L. & A.	2,726	975			
United Cas.	5,885	3,817			
United States Cas. . . .	1,345	7,587			
U. S. F. & G.	3,361	10,593			
Wash. Fidelity Natl. . .	6,263	1,668			
Western Cas.	2,373	1,698			
Zurich	83,444	50,122			
Total, 1927	\$1,781,503	\$ 926,979			
Total, 1926	1,832,407	839,350			
STEAM BOILER					
Amer. Employers	\$ 76				
Columbia Cas.	95				
Continental Cas.	280				
Eagle Indem.	52				
Employers Liab.	560				
Fidelity & Cas.	2,245				
General Accel.	1,762				
Hartford St. B.	50,772	1,696			
Indem. of No. Amer. . .	—85				
Independence Indem. . .	847				
London Guar.	3,343	40			
Maryland Cas.	3,199				
N. Y. Indem.	—42				
Ocean Accel.	5,938	175			
Royal Indem.	1,228	434			
Travelers Indem.	5,578	173			
Total, 1927	\$ 95,848	\$ 2,530			
Total, 1926	40,590	6,263			
SPRINKLER					
Aetna Cas.	\$ 3,285	\$ 534			
Maryland Cas.	—24				
U. S. F. & G.	40				
Total, 1927	\$ 3,301				
Total, 1926	2,353	\$ 161			
CREDIT					
Amer. Credit Indem. . . .	\$ 14,498	\$ 4,961			
Nat. Surety	—612				
Southern Sur.	4,702	7,459			
Total, 1927	\$ 18,586	\$ 11,530			
Total, 1926	21,600	3,949			
LIVE STOCK					
Hartford L. S.	\$ 2,568	\$ 2,646			
Total, 1927	\$ 2,573	\$ 1,100			

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BANKERS INDEMNITY MAKES FINE PROGRESS

WILKENS VISITS THE WEST

Newark Company Expects to Write
Upwards of \$2,500,000 in Premiums
This Year

F. E. Wilkens, vice-president of the Bankers Indemnity of Newark, has been on a swing through the west and is in Chicago this week visiting Manager J. C. Hyde and other representatives in the city. The Bankers Indemnity has had a remarkably successful career. Last year its premiums were \$1,500,000, that being its first full year. This year the company will write \$2,500,000 premiums at least. It has built up a fine agency plant in the sections where it operates. It is now writing all the casualty lines. The Bankers Indemnity started on a program of \$7,500-\$15,000 automobile liability limits, making that a slogan. It got a good toe hold and since then has been making progress right along. Mr. Wilkens has gathered around him some strong men who know insurance from beginning to end. It is giving good service up and down the line.

Fletcher Newell Promoted

Fletcher Newell, who for the last eight years has been in charge of the supply and printing department of the Continental Casualty and the Continental Assurance, has been promoted to be chief purchasing agent.

Standard's Safety Engineers Meet

A review of the safety work accomplished the past year and a discussion of plans for the coming year are included in the program of the annual conference of safety engineers of the Standard Accident at the home office in Detroit, April 16-19. Approximately 45 men engaged in risk analysis and special safety improvement work in all parts of the country are attending the conference.

The program will be in charge of Harry H. Richardson, chief safety engineer of the company, and will include talks of various phases of the work by John H. Thom, vice-president; Ralph Platts, assistant secretary; E. J. Schofield, vice-president, and C. C. Bowen, vice-president and secretary.

Among the topics to be discussed are "The Importance of Safety Engineering Work in The Insurance Business," "The Inspectors' Part in Determining Classification and Desirability of Risks," "Salesmanship in Accident Prevention Work," and "Reduction of Losses Through Accident Prevention."

Century Indemnity at Cleveland

A. F. Goldenbogen of Cleveland, who has gone into business for himself as the A. F. Goldenbogen Company, has taken the general agency of the Century Indemnity at Cleveland. Mr. Goldenbogen has been in the insurance business at Cleveland since 1905 and does a general business. He specializes on casualty and surety bonds.

U. S. F. & G. Stock High

BALTIMORE, April 18.—Shares of the United States Fidelity & Guaranty this week jumped 25 points, to 400, the highest level they ever attained. There was a flood of rumors, but nothing definite to explain the strength of the stock other than the fact that the report for the first quarter of the current year will disclose he largest net income for any three months in the history of the company.

Hoar Made Detroit Manager

Verne R. Hoar, state agent of the Constitution Indemnity in Michigan, has been appointed manager of the Detroit branch with offices in the Buhl building. Mr. Hoar formerly traveled for the United States Fidelity & Guaranty in Michigan. Michigan is under the jurisdiction of Blackwell & Douglas of Chicago, western managers.

ECONOMIC CONDITIONS AFFECT CLAIM RATIO

HIGHER DURING HARD TIMES

C. A. Richardson of Retail Credit Company Traces Connection Between Them

C. A. Richardson of the underwriting division of the Retail Credit Company finds a connection between economic conditions and the frequency of disability claims. He cites North Dakota and Montana, both states having had a hard time for a number of years. Mississippi is in the heart of the flood country. The claim ratio in these states went upwards. Florida with its boom flattened out reflected a higher loss ratio. Minnesota, Wisconsin, Iowa and South Dakota were all above the average. Canada as a whole is only slightly above the average. Illinois, New York and other states which have been enjoying more uniform prosperity show less than half the average frequency of claims in comparison with insurance in force.

Travelers' Buffalo Conference

BUFFALO, April 18.—With more than 300 field men of Buffalo and western New York in attendance, the Travelers conducted a highly successful two-day sales conference under the sponsorship of the Buffalo branch office. Sales representatives in the region from Salamanca to Batavia were in attendance.

D. J. Bloxham, supervisor of life agency field service; John H. Egloff, supervisor of agency field service, casualty lines, and W. E. Boyd, Jr., supervisor of fire insurance agency service, conducted the Buffalo conference.

Louisville Claim Men Organize

LOUISVILLE, April 18.—The Casualty & Surety Adjusters Association of Louisville, composed of the claim men for such companies, has been organized for the purpose of promoting better understanding of the business, and to develop better methods, through education of members to standard practices.

Officers elected were J. F. Fleming, United States Casualty, president; Raymond Copes, Travelers, vice-president; Paul Kelley, Aetna Casualty & Surety, treasurer; George C. Long, Hartford Accident & Indemnity, secretary.

This organization is entirely separate and distinct from the Casualty & Surety Association of Louisville, which is composed of agents and branch office managers, and which numbers about 40 members, although there may be times when joint meetings of the two bodies may be arranged.

White Goes to Pacific Coast

Howard White has been appointed claim manager of the Pacific department of the Century Indemnity, with headquarters at 222 Sansome street, San Francisco. Mr. White was born in Cutler, Ill. On leaving high school he spent two years in college at Tarkio, Mo., followed by two years at the St. Louis Law School. In 1918 he joined the claim department of the Maryland Casualty and spent the next nine years managing branches at Chattanooga, Denver, Louisville and St. Louis. The Maryland called him to the home office as superintendent of automobile claims, which position he held at the time of his appointment by the Century as manager of the Philadelphia claim division in November, 1927.

Bankers Indemnity Office Moves

The Chicago branch office of the Bankers Indemnity of Newark, N. J., of which John C. Hyde is manager, moved its offices to A-1447 Insurance Exchange South last week. The new offices will join those of Hodgkinson & Durfee, who have recently been appointed general agents.

Fort Gets National Casualty

The Fort Insurance Agency of Waco, Tex., has become general agent for the National Casualty of Detroit. It represents also the Aetna Casualty & Surety and Travelers.

WORKMEN'S COMPENSATION

WANT LOWER RATE IN KANSAS

Employers Claim Present Schedule Is Too High for New Compensation Law

TOPEKA, KAN., April 18.—A demand for a reduction in the rates for workmen's compensation insurance in Kansas is to be submitted to the insurance department shortly by employers of the state. Commissioner Baker has not been notified officially of the proposed request for a hearing and a reduction in rates. He has been advised by representatives of the employers that they are gathering the material upon which the application for a rate reduction will be based.

The present compensation schedule was for one year and expires June 30. The employers assert that the new compensation law has reduced the costs of compensation insurance so materially in Kansas that they are entitled to a marked decrease in the rates. They point to the records of the compensation division of the public service commission in support of their contentions. They say that these reports show that the companies have not had to pay so large an amount in filing fees as had been expected. The companies were allowed one percent on all compensation premiums to pay the cost of filing reports with the commission and it is asserted that this cost has been less than one-half the collections which were made.

Say Inspection Was Less

It is also asserted that the reports show that the companies have had to pay much less medical inspection fees under the new law than under the old compensation law and that the court costs and attorney fees have been almost

nothing compared with the same items of cost shown by the companies last year.

The employers claim that the settlements of compensation claims under state administration have been easier and less expensive and the amounts paid more definite than under the old law and that the companies have not paid as great an amount of claims.

When the new compensation law went into effect the companies sought an increase in rates, which was refused by the department. The companies then asked for a rehearing and about eight months have been spent in checking and rechecking the company records relative to the rates which the companies desired to put into effect. Now the employers are demanding a reduction and are preparing to submit the demand to the department early next month.

To Pass on Constitutionality

NEW YORK, April 18.—The constitutionality of the longshoremen's and harbor workers' compensation act, adopted at the 1927 session of Congress, is to be tested in the United States Supreme Court as the result of a claim filed by Joseph Chernik, a longshoreman, against the Clyde Steamship Company of this city. The plaintiff was injured while unloading one of the Clyde vessels. Rather than accept settlement of his claim under the provisions of the federal compensation law, he sued to recover under the New York law. The position of the defendant corporation being upheld by the courts, appeal will be made to the United States Supreme Court. The allegation is made by plaintiff's counsel that the act violates the 17th amendment, which provides that all cases of admiralty and maritime jurisdiction shall save to suitors the right of common law remedy where the common law is competent to give it. The outcome of the case will be watched with no little

interest by casualty underwriters as well as by the shipping interests and labor men.

Colorado State Fund Appointment

DENVER, April 18.—Hockley T. Hammill has been named assistant manager of the workmen's compensation insurance fund under the Colorado industrial commission on orders of the state civil service commission. Mr. Hammill has been a clerk in the department several years and recently passed highest on examinations for the higher position. He succeeds Howard W. Redding, who was recently advanced to manager.

Ontario Awards Set Record

TORONTO, April 18.—The monthly report of the Ontario workmen's compensation board shows that total benefits awarded in March, 1928, amount to \$764,263, this being the highest amount ever awarded in one month since the inception of the act. The Hollinger mine disaster was accountable in part for this increase. The total number of accidents reported the first quarter of 1928 is 16,337, an increase of 216 over the same period last year. Benefits awarded for

the quarter aggregate \$1,885,807, as compared with \$1,521,569 for the same period last year.

Compensation for Kiss

The Ohio industrial commission has awarded compensation to Miss Mary Skeoch, a nurse in a hospital at Delaware, O., for a kiss. The kiss was "inflicted" on Miss Skeoch by a patient, who was afflicted with scarlet fever and was delirious. While Miss Skeoch was taking the patient, a woman, back to her bed, from which she strayed while in a delirium, the patient kissed her. Later Miss Skeoch developed scarlet fever and was ill for many weeks. The commission held that the nurse suffered her "injury" in the course of her duty.

No Ohio Investigation

Gov. Donahey of Ohio has announced that he will make no investigation of charges that claims filed with the Ohio industrial commission have been delayed much to the inconvenience and financial loss of the claimants. Gov. Donahey places the blame on the legislature which, he says, did not give him sufficient funds to hire more workers in the industrial commission.

ACCIDENT AND HEALTH

LIMITS ACCIDENT INDEMNITY

Aetna Life Adopts Provision Recommended by Bureau of Personal Accident Underwriters

The Aetna Life has placed all of its accident and health policies on the new basis recommended by the Bureau of Personal Accident & Health Underwriters, incorporating a provision under which payment for total accident disability will not be made beyond 52 weeks unless the insured is wholly disabled

from engaging in any occupation or employment for wage or profit. Payment of hospital and/or nurses' fees will now be made for 20 weeks, the two provisions covering those benefits having been combined. Several of the policies formerly issued have been withdrawn.

National L. & A. Fort Worth Meeting

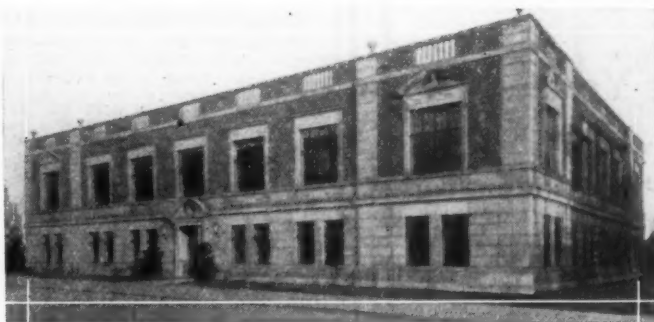
Some 150 agents and representatives of the National Life & Accident Company of Nashville, operating in north and east Texas, held their annual sales conference at Fort Worth this week. President C. A. Craig and E. B. Stevenson, Jr., third vice-president, attended the meeting and made addresses. The Fort

Assets

\$2,306,694.43

Surplus to Policyholders

\$567,214.58



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Our stockholders are satisfied—

On April 12 we celebrated our second birthday. We are altogether satisfied with the past, and are looking ahead in exceedingly good humour.

James S. Phillips
President

**Great American
Indemnity Company
New York**

Organized—1926

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NEW YORK CITY

Worth district agent, H. E. Clifton, presided at the conference. The company executives explained its plans for extending operations in Texas and for producing business during the year. The agents discussed agency problems. The insurance men reported good production in north and east Texas.

Inter-Ocean Appointments

The Inter-Ocean Casualty announces the appointment of W. P. Eastman Agency at Seattle as general agent for western Washington. Robert McCaffrey continues with the company as city manager in Seattle. Another Inter-Ocean appointment as general agent goes to G. B. Pierce, who will operate in north-eastern Texas with headquarters in Dallas.

Time's Losses Too High

Through a regrettable error the losses of the Time Insurance Company of Milwaukee were given \$100,000 too high in

the table published last week giving the experience of accident and health companies. The company had premiums last year of \$507,645 and losses of \$230,928. The latter item was incorrectly given as \$330,928.

Zurich Sells Another \$100,000 Case

One of the recent buyers of the special professional policy in the amount of \$100,000 issued by the Zurich is Henry T. Ewald, a Detroit advertising man, who has insured his professional skill. The special professional cover is designed to protect surgeons, artists, engravers, musicians, cartoonists and other professional people whose skill is in their hands or their feet or both. Under a special option the coverage can be bought on such a plan that it matters not whether disease or injury causes loss of skill, and the principal is paid in a lump sum irrespective of the extent to which the assured may be incapacitated. Under all options settlement is by lump sum.

AMONG SURETY MEN

SURETY ASSOCIATION MEETS

Executive Committee Has Its Powers
Enlarged and It Becomes the Chief
Governing Factor

The Surety Association of America held its quarterly meeting last week. The chief item of business was the extending of the power of the executive committee so that it can function with more freedom. The association will really be run by the executive committee between sessions. The question arose as to the propriety of the Surety Association or the National Bureau of Casualty & Surety Underwriters dealing with acquisition cost rules, as it pertains to fidelity and surety. A resolution was adopted appointing a committee of three to meet with the conference on acquisition cost and reconcile the differences as to rules and commission rates.

Dodge Issue on Warehouse Bonds

LINCOLN, NEB., April 18—The Supreme court disappointed the various business interests in its decision on the litigation between the state railway commission, charged with the enforce-

ment of the state warehouse law and the Lexington Mill & Elevator Company, which handles, under contracts with local units of the state wheat pool, all their offerings. The court decided the case on a point not particularly raised by either side, holding that the wheat pool being a non-stock and non-profit cooperative, did not come under the warehouse law, which requires licenses and bonds for all stored grain and that the cooperative could make any contract it pleased because of its legal character. The arguments were largely centered on the constitutionality of the law, but the court did not pass on that point.

Insurance men were keenly interested in the case because warehouse bonds have been a profitable line and in a number of cases, where company-owned elevators are written in blanket form, the total has run up into several millions a year in volume.

Launches New House Organ

The Detroit Fidelity & Surety has begun issuing an attractive publication known as the "Cooperator." The first issue sent out recently gives personal news items about Detroit Fidelity & Surety agents and includes two educational articles, one on contract bonds by H. C. Hinde, superintendent of the contract department, and one on surety bonds by Ralph A. Daly, vice-president.

PERSONAL GLIMPSES OF CASUALTY MEN

The Globe Indemnity gave a banquet to Vice-President Thomas J. Grahame, who is head of the New York Metropolitan department, celebrating his 10th anniversary in that work and his 15th year with the company. Vice-President W. J. McCaffrey was toastmaster. President A. Duncan Reid, United States Manager Harold J. Warner of the Liverpool & London & Globe, Vice-President F. H. Kingsbury, Vice-President Kenneth Spencer, George F. Coar, vice-president, and Treasurer Henry Furze were present. There were about 250 agents at hand. Talks were made by Mr. Reid, Mr. Warner and Mr. McCaffrey. Charles E. Hyde of Port Washington, L. I., represented the agents. During his 10 year period, the premiums have been \$47,250,000 in the New York Department.

Edward C. Stone, United States manager of the Employers Liability and president of the American Employers, is popular wherever he goes. At meetings of the Insurance Commissioners Convention, Mr. Stone is always in demand because of his companionable traits, his capacity as a singer and his genial good nature. During his recent trip through the south, during which he spent two months in visiting insurance men in Oklahoma, Texas, Louisiana, Mississippi, Alabama, Florida, Georgia, North and South Carolina, Virginia and Maryland, he was received most cor-

dially. He visited various representatives of the Employers Liability group in these states. He addressed a number of gatherings of insurance men with respect to compulsory automobile insurance. Wonderful hospitality was extended to Mr. Stone because he is regarded as an authority on compulsory automobile insurance and in fact on casualty subjects of any kind. He returned to his office greatly impressed with the south, its great possibilities from an insurance standpoint, its business growth and development. He expressed himself as most enthusiastic about the kind of men that are engaged in the insurance business in that section, stating that they were up-to-date, anxious to learn and well informed. He was particularly pleased with the agents of the Employers Liability group. Mr. Stone is a booster for the south and southern agents up and down the line.

During the recent insurance convention in Atlanta, Fred L. Nesbitt, southern agency supervisor of the Fidelity & Deposit, and Mrs. Nesbitt entertained a few friends at their home. Mr. Nesbitt is regarded as one of the ablest and best informed surety men of the south. He attends many insurance meetings and has a wide acquaintance. Mrs. Nesbitt, aside from being a young woman of many charms, is one of the famous Negro dialect story tellers of her city. She regales her hearers with a fund of

choice anecdotes. Mrs. Nesbitt was assisted by her sister, Mrs. Claude E. Williamson, wife of the well-known official of the Carr Construction Co. Mrs. Williamson is a very popular and attractive young woman. She is one of Atlanta's best woman golfers.

E. A. St. John, president of the National Surety, accompanied by Mrs. St. John, was in Cincinnati on Friday of last week and met many of the local insurance men at the office of General Agent S. M. Ferris. Mr. St. John expressed himself as much impressed by the evidences of growth and progress in Cincinnati. Mrs. Ferris entertained Mrs. St. John with a luncheon party which was attended by a number of Cincinnati women. Mr. and Mrs. St. John completed their western trip which took them as far as St. Louis, by returning direct to New York from Cincinnati.

Ross Coffin, manager of the insurance department of the City Trust Company of Indianapolis, has been invited to the home office of the Maryland Casualty, May 16-18, in recognition of the volume of premium income produced in its office. Mr. Coffin has been particularly successful in building up a good volume of business for the trust company's insurance department in all branches of insurance through special service rendered clients.

Emil Gijohann, secretary of the Time, Milwaukee, and Mrs. Gijohann have returned to Milwaukee after spending the winter in San Antonio, Texas.

The Standard Accident has adopted a novel advertising stunt in that it has arranged to furnish its agents with golf balls, that retail at \$9 a dozen. The Standard by purchasing at wholesale gets a material discount. The name of the Standard is imbedded in the ball during its construction. Advertising messages about the business of the local agents is put on the box and wrapper. The agents can buy balls in quantities from the head office.

BEHA INSISTS THAT RULES BE OBSERVED

(CONTINUED FROM PAGE 37)

regulations are strictly complied with, a situation resulting largely through the absence of a relief rule, such as used elsewhere in the country. Mr. Beha, however, declared himself opposed to the naming of special agents in the city to whom top commissions are granted, holding there was no warrant for such action. He voiced the hope that in the course of the near future the 18 parties now so favored would be placed upon a lower commission basis. He understood that the authority of six of the agents would soon be cancelled and anticipated that in the course of time all would be thus treated. The conference has a firm of auditors going over the books of each of the favored agents in the metropolitan field, and it is reported that such cancellations as have been or shortly will be decided upon, is the result of the information the examiners have unearthed.

To Take Over Pacific Coast

Jurisdiction over the Pacific Coast which the conference surrendered nearly a year ago, will be resumed and a determined effort made to bring that territory into line, for which purpose a sub-committee of the national agency committee was named, consisting of the American Surety (chairman), Aetna Casualty, Globe Indemnity, Fidelity & Casualty, Maryland Casualty and the United States Fidelity & Guaranty. The committee will also undertake to bring order out of chaos at Chicago. In that city many companies are represented by agents and head office men have been unwilling to be bound by any platform prepared by the latter. At least they want a voice in its framing.

The west coast situation was induced

first through a clash between two leading eastern companies, neither of which was willing to concede what it felt was a distinct advantage to the other. When this was patched up complications arose through the activity of a home corporation not amenable to the supervision of the New York department, and paying scant attention to its views. When it developed that the general conference rules would prove ineffective to regulating conditions on the Pacific Coast, a special set of rules was prepared. These, too, failed of the intended purpose. The conference waived jurisdiction over the territory, each company being a law unto itself in the field. As a consequence, a chaotic condition developed. To remedy this the newly appointed committee will now bend its energies.

TRAVELERS HAS SALES CONGRESS IN CHICAGO

(CONTINUED FROM PAGE 37)

customers full cover unless they include the plate glass rider. He declared that many agents in the Chicago office have given standing orders to include the plate glass rider on all automobile renewals, and that the rejections by customers are less than 1 percent on this method. He also declared that it was a good rainy day line. An agent can telephone his automobile customers and sell every one that he can get on the wire. Thus he can do a very profitable day's work without leaving his office.

C. C. Clothier, adjuster in Chicago, told of the Travelers' claim service. John H. Egloff of the home office reviewed the arguments on all forms of automobile insurance.

Foundation of Success

Accident, group and wholesale insurance was covered in the last half of the second morning session. Speakers were E. H. Frank, E. G. Arthur, C. Fred James, L. W. Hill, P. T. Carter, A. L. Anderson and D. Hobart Passell. Mr. Frank said that an accident account is the foundation on which a good general insurance account should be built. He pointed out that accident coverage is the foundation of the entire Travelers' organization and success. He said accident is the easiest of all insurance to sell and that it leads naturally to life, fire and casualty lines.

Major Giddings Was Speaker

Harold Dyrenforth acted as toastmaster at the banquet given Tuesday evening. The only speaker was Major H. A. Giddings, vice-president in charge of casualty lines. Major Giddings went with the Travelers in 1901. In 1903, the casualty premiums were \$1,000,000. Last year they were \$55,000,000. Major Giddings stated that there were 43 home insurance companies in Hartford, which is now familiarly known as "the Insurance City." These companies are receiving \$2,000,000 a day in premiums. They have paid out \$3,076,000,000 to policyholders. He said that the first policy issued in Hartford was in 1794 when a coterie of men known as the Hartford Fire Insurance Company issued a contract, although they were not incorporated. Hartford officials, he said, have endeavored to keep Hartford indemnity and Hartford companies on as high a plane as possible.

Keeps in Straight Path

In speaking of the Travelers he said that the company does not know of any policy written at less than orthodox rates nor has it any contract out at less than the regular commission. Major Giddings said that it was generally acknowledged that business is not so good now as during the last six years. He thinks that the people have been spoiled because business has been too good and there has been too great prosperity. In spite of this he said that business was good. People are the most interesting things in the world, said Major Giddings, and insurance men are dealing all the time with people.

A square deal—regardless of cost.

Both to agents and the assured.

Big men at the helm of the Republic, who realize that straight shooting is the only enduring foundation for permanent success.



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*Some Good Territory is open for Direct
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AMERICAN CASUALTY COMPANY
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ASSETS \$3,218,290.89

**Full Coverage
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At
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JOHN E. HOGAN

Specializing in

Casualty and Automobile Insurance

Investigations, Adjustments and Claims

175 W. JACKSON BLVD., CHICAGO

GIVES AGENT COMPANY VIEWPOINT ON CLAIMS

(CONTINUED FROM PAGE 40)

information. It is pointed out to the agent that the payment of a claim when there is no liability will cause him a great deal more trouble in the future than to stand solidly for his company and show his loyalty by adjusting the matter according to the company's attitude.

"This contact of departments is reflected in the field," he added, "for our claim adjuster on many occasions has made special trips to the homes of certain agents, not because he didn't feel that he could settle the claim as well or perhaps better by himself and without the aid of the agent, but because of his desire to smooth the 'ruffled feathers' and to give the agent an opportunity to thoroughly discuss any difficult case in question with a home office representative."

Mr. Feffer also took up the question of "border-line" claims, referring to the necessity for the claim department co-operating with the agency department in such cases and taking into consideration all the circumstances.

"There are several angles which must

be taken into consideration," he said. "If the claim is rejected, what will it mean to the company's business in that territory? Will not the claimant, who may in such cases be a desirable policyholder and one who will not make claim unless he feels that it is legitimate and one for which he is entitled to indemnity, feel justified in expressing to his friends and acquaintances his disappointment and loss of confidence in the company? He honestly believes that he was entitled to indemnity, he may know that some of his friends are carrying policies in the same company and he believes that it is his duty to warn his friends against placing too much dependence upon the policy in such and such a company since his legitimate claim was not paid, for obviously in such cases the preponderance of proof relative to the claim status changes from the claimant to the company."

"Sometimes it is the rejection of claims of this character which shakes the agent's confidence in his company more than the rejection of any number of claims in which the company's lack of liability has been clearly established. Since the payment of this not clearly defined claim will probably be most beneficial in securing favorable publicity for the company, very careful consideration from the agency angle should be given

by the claim department before definitely rejecting a doubtful claim."

Following Mr. Feffer's address, there was considerable discussion as to whether the adjuster should take up a claim question with the agent before attempting to make a settlement. The consensus seemed to be that it depends entirely on the agent and his attitude on claim matters. Some agents can be of real assistance to the claim men, and in such cases they should be taken along for the interview with the claimant, as the policyholder will ordinarily put much more reliance on what the agent tells him. There are some cases, however, where the adjuster had better go it alone.

There was also some discussion as to the desirability of sending claim checks to agents for delivery. It was brought out that this is, again, a matter of the individual agent's desire. When an agent desires to deliver these checks, he has a chance to make good use of it in a business way.

PLATE GLASS RATES RECEIVING ATTENTION

(CONTINUED FROM PAGE 40)

\$193,535; Aetna Casualty, \$192,990; Globe Indemnity, \$190,229; Hartford Accident, \$148,639; Massachusetts Bonding, \$139,704; United States Casualty, \$126,947; Maryland Casualty, \$116,145; Union Indemnity, \$112,455; Royal Indemnity, \$109,503; United States Fidelity & Guaranty, \$108,885. The remaining companies wrote less than \$100,000 each.

No single underwriter could be found who was willing to admit that the 25 percent reduction in rates required by Superintendent Beha was warranted. Several felt that a smaller reduction could be allowed in the light of the loss experience, holding that a downward revision was contemplated by the companies before the attitude of the department was even intimated.

While granting that under the New York law the superintendent has the right to pass upon rates as to their "adequacy and reasonableness," company men are insistent that Mr. Beha has no authority to determine what the rates shall be, that being the prerogative of the companies selling the indemnity.

BANK BANDITRY IS GREATLY INCREASED

(CONTINUED FROM PAGE 39)

nearly every case the bandits and their carefully planned attack encountered little, if any, resistance. Our investigations also continue to prove that instead of adopting preventive measures and exercising due care, the safety of the banks rested upon a policy of 'cold pausing, caution's lesson scorning.'

"Modern alarm systems are merely an essential unit of any effective program for the prevention of bank robbery. They alone can only signal for help and the response must be quick and sharp

shooting—as displayed by the excellent record set up by bankers' campaigns of armed vigilantes in the central west. Even the most promptly sounded alarms can only help to facilitate arrests, and adequate and efficient police power is one of the two outside forces without which banditry will flourish. The other deterrent is found in more stringent criminal laws and court rules that will keep guilty criminals in custody and thereafter placed at a safe distance from all banks and their multitude of customers. If the police power is inadequate, a revival of the vigilante spirit, strongly organized and controlled, has already demonstrated its value in supplementing the work of the constituted police authorities.

"If the widespread publicity given to crime in this country since 1919 does nothing else, it broadcasts a message of prevention that should be heeded by all. Bankers and business men especially must recognize that while they are guarding against crime in a general way, the present day criminals, concentrating and planning as they do upon a definite objective, are usually a few steps ahead of their intended victims. Ordinary safeguards too often find bank employees crawling along the floor or herded into a vault, unprepared to do more than pay tribute, thankful for keeping body and soul together. Yet this plight of the victims is largely due to a complete reliance for protection upon indemnity of financial loss through insurance with little or no use of effective means for crime prevention.

Insurance Men Cooperate

"In its two 1927 reports the protective committee declared that insurance protection should not be substituted for activity aimed at the prevention and punishment of crime and therefore urged more prompt and suitable action by the casualty and surety companies to help curb this dangerous practice which virtually means subsidizing crime as a business risk. Your committee is gratified to report that the Association of Casualty & Surety Executives accepted its invitation to discuss ways and means of dealing with this evil which seems to spread in proportion to the growth of insurance against loss through crime. Two meetings were held in New York last December and January with a special committee representing the underwriters. Although no definite action has been agreed upon, we are assured of closer cooperation in the apprehension and prosecution of bank criminals."

METROPOLITAN PLANS TO TRY ARBITRATION

(CONTINUED FROM PAGE 39)

to be agreed on by the parties or to be appointed by the American Arbitration Association. The offer is confined to the usual policy limits of \$5,000 and \$10,000, inasmuch as the Metropolitan, in fairness to the assured, cannot control the procedure where the latter's excess liability is also involved.

DO YOU WANT TO REALIZE ON YOUR AMBITIONS

You can do it by asking us for details on our new line of Health and Accident Contracts, both Commercial and Industrial. Highest immediate earnings and liberal renewals paid to District and General Agents.

Who can produce business
Write

INCOME GUARANTY COMPANY

(Stock Company)

Drawer 422 South Bend, Ind.

WANTED

Agency for Chicago and Cook County of Non-Conference Stock Automobile Company. Annual premium income \$75,000 to \$100,000. Address F-6, care The National Underwriter.

WANTED

Thoroughly experienced automobile claim man between 35 and 40 to take charge of Home Office Claim Department. Give detailed experience and references. Address F-15, care The National Underwriter.

A large established agency with a limited casualty business requires the services of a seasoned outside casualty man having a wide acquaintance with casualty brokers. To a man of this character, who is able to build rapidly through acquaintance and control of casualty business, an unusual opportunity is available. Address F-5, care the National Underwriter.

WINZER & COMPANY CERTIFIED PUBLIC ACCOUNTANTS

SPECIALIZING IN
INSURANCE ACCOUNTING

29 South La Salle Street
CHICAGO

STANDARD FORM
EXCESS LOSS
(50/50) FORM



HOME OFFICE:
INSURANCE EXCHANGE
CHICAGO



This Company Writes Plate Glass Insurance Exclusively

Write for Attractive Sole Agency Contract in Your Territory

C. A. KULP IS AUTHOR OF CASUALTY VOLUME

SUBJECT IS ABLY TREATED

Educator Writes Book Covering This Form of Insurance Extensively and Intensively

From the Ronald Press Company, 15 East 26th street, New York City, has come a new insurance volume entitled "Casualty Insurance," written by C. A. Kulp, assistant professor of insurance in the Wharton School of Finance and Commerce at the University of Pennsylvania. Indicative of the comprehensiveness with which the work covers this subject is the fact that it contains 610 pages. Each of the casualty coverages is explained in detail and policy forms and insuring clauses are carefully analyzed. The volume also contains a section treating with the methods of determining rates and premiums for the various casualty covers.

MORE LIFE IS NEEDED IN NEBRASKA BODY

(CONTINUED FROM PAGE 5)

The University of Nebraska was one of the first to offer a course of insurance. A class was organized in 1905. Professor Spangler gave an outline of the subjects pursued. The course in life insurance is given during the second semester. He said it is the earnest hope of the university to expand its insurance instruction. The first move, which we hope will come soon, will be to offer a course in general insurance principles, which will be a prerequisite to the more specialized studies.

Reynolds Talked on Hail Insurance

Wilson B. Reynolds, general agent at Fremont, gave a very valuable talk on hail insurance. He said that in recent years great strides have been made in improving hail writing from the standpoint of physical hazards. Last year the loss ratio on hail business was 77 percent. He said that a 55 percent loss ratio is near the breaking point between profit and deficit. Mr. Reynolds said that hail rates can only be lowered by cooperation between the assured and the insurers. The more activity in overpayment of losses and the more activity on the part of the policyholders to play one company or agency against the other will result in a higher loss ratio and consequent higher rates. He said that the success of hail insurance business rests upon the same fundamental pillars as the assumption of other hazards, viz., a spread of liability, care in the placing of reinsurance to avoid congestion, proper rating methods and painstaking adjustments.

Discussion Over Resolution

There was considerable discussion over the resolution regarding membership. It has been apparent that the attendance at the annual meetings has been dropping from year to year. Unless the organization is revived and new interest is taken the general impression is that the Nebraska association will go on the rocks.

At the banquet M. C. Rathburn of Lincoln served as toastmaster. T. L. Mathews, a Fremont banker, spoke of oldtime business methods and traced the growth of the modern enterprising business man. John E. Curtis of Lincoln was another speaker. He pointed out the great opportunities for development in insurance.

A. H. Berbig of the Berbig-Maus Agency of Kearney presided during the business sessions and made a very good impression.

Stanley Maynard of Chicago, vice-president of the New York Indemnity, gave an address. Mr. Maynard is a new man in the west, but he knows his subject thoroughly. He said that insurance

REACH COMPROMISE ON D. C. COMPENSATION ACT

FIGHT WILL BE RENEWED

Attempt to Substitute Fitzgerald Bill Probably Will Be Made in Full Committee Session

WASHINGTON, April 18.—A favorable report on legislation providing compulsory insurance for workmen in the District of Columbia is to be made to the House District committee by the subcommittee in charge of the legislation. The subcommittee will recommend the extension of the provisions of the longshoremen's act to cover employment in the District, with administration placed in the Federal Employees Compensation Commission, as a compromise between the Fitzgerald and the Underhill plans, which have been a subject of controversy in the House for a number of years. The Fitzgerald bill provided for the establishment of a "state fund" to handle the insurance while the Underhill plan would permit employers to insure with commercial companies.

The vote to make a favorable report on the legislation was by no means unanimous. Representatives Jenkins of Ohio, Lampert of Wisconsin and Hammer of North Carolina being opposed to the bill, although the last two voted for the report in order that the subject may be brought before the full committee, where it is probable a strong fight will be made to have the Fitzgerald bill substituted.

is sold largely as a result of imagination. The salesman must imagine and really feel the needs of his prospect. Mr. Maynard stressed the importance of an impressive approach, getting a good start, having a strong entering wedge and then following through.

John D. Frazee of Omaha, manager of the American Surety, gave an educational talk on writing surety bonds. Frank E. Helvey of Lincoln, publicity director of the Nebraska Insurance Federation, told some of the dangers of compulsory automobile insurance. M. A. Hyde of Lincoln spoke about the forthcoming Nebraska Insurance Day.

There came from the state insurance department Commissioner Dumont, Actuary W. J. Davidson and Assistant Actuary D. B. Dribble.

E. R. Heflin of Martin Brothers & Co., of Omaha spoke on "Casualty Insurance and Bank Accounts." Mr. Heflin said that with the advent of the automobile, casualty insurance began to grow at a much faster rate. People became educated to the buying of automobile insurance of various kinds and it became increasingly easy to show them the need of the other kind of casualty lines.

"Today," said Mr. Heflin, "in most city agencies and in a rapidly increasing number of small town agencies casualty insurance has become the principal source of supply to the agent's bank account." Mr. Heflin then briefly described a few of the casualty lines that can be most easily sold by the agents in smaller cities and towns.

Frank T. Priest of Wichita, Kan., a member of the executive committee of the National association, represented that association at the meeting. His address, entitled "The Value of an Organization," dealt with past and present national association history and detailed the operations of the association for the benefit of local agents.

"We encourage insurance men to attend state and national association conventions," Mr. Priest said, "and by all means to keep up to date on important situations and insurance matters by reading the insurance journals. By organization we do not mean that we can regulate all things and eliminate all bad

CONTRACT BONDS SLOW AS BUILDING INCREASES

DUE TO LACK OF PUBLICITY

Estimate that Only 30 Percent of Contractors Are Covered by Bonds

PHILADELPHIA, April 18.—Building permits issued for Philadelphia in recent weeks are the largest in 10 years. And yet contract bond business is not growing. If anything, declare local surety men, the business is drying up. And the condition that exists in this city, they assert, finds its counterpart throughout the country.

Of course all of the work does not require contract bonds. But of the amount that does, only some 30 percent have contract bonds. Some surety men term that estimate very optimistic.

One Philadelphia underwriter believes that the fault lies with the companies in failing to educate the owner and builder to contract bonds. This man favors the casualty and surety companies raising a fund on a pro-rata basis to be used for a national educational advertising campaign. And he believes that enough material can be secured from the Towner Bureau to write advertising copy for years and years.

Leading Agency Advertises

One of the agencies in Philadelphia which undoubtedly writes the largest bond business in the city—Stokes, Packard, Haughton & Smith—has taken recognition of this fact and for the past year has been sending out letters to owners and builders pointing out the need for contract bonds. It also sends a monthly letter to brokers giving reasons why contract bonds are necessary. It is just beginning to reap the benefits of its campaign.

Surety commissions are held very loosely in Philadelphia. The brokerage commission, which was 15 percent, was changed to 20 percent at the same time that the agency commission was cut from 35 percent to 30 percent. Several offices are said to disregard this schedule and are paying brokers as high as 30 percent for the business. Those offices which have refused to deviate from the 20 percent commission are meeting this disregard of fixed commissions but writing the brokers and asking them whether, after all, it is good business on their part, to do business with an office that has a sliding scale of commissions.

General Reinsurance Election

Directors of the General Reinsurance at their meeting in New York Tuesday elected A. W. Sewall and Herbert R. Clough as directors, and at the same time elected Mr. Clough a vice-president and Herbert R. Hastings assistant secretary. Mr. Sewall is president of the General Asphalt Company of Philadelphia, while Mr. Clough has been affiliated with the General Reinsurance for the past four years. He is a casualty underwriter of long experience, familiar with the conduct of the business both here and abroad, and has negotiated a number of important casualty treaty contracts.

practices, but by working constantly together we can reduce our troubles to a minimum and smooth out many bad situations."

Mr. Priest explained the five-year development campaign which the National association has undertaken and pointed to the Kansas association's success in organizing the local men to prove what can be done along organization lines.

Casualty Notes

Stanley Webb of Sparta, Wis., has been appointed a special agent in western Wisconsin for the Fidelity & Deposit.

COMPENSATION RATES EXPLAINED TO AGENTS

SYRACUSE N. Y. AGENTS MEET

Recent Action of State Rating Bureau Is Explained at Gathering of Local News

SYRACUSE, N. Y., April 18.—President Fredrick V. Bruns of the Insurance Agents Club of Syracuse was in charge of the meeting of the organization Monday, the feature of which was a clear explanation of the new compensation rates and rules lately promulgated by the state compensation rating bureau, and which becomes effective May 1, by Harold Dyke, resident manager in the city for the Travelers. In addition to President Bruns the officers of the club for 1928 are: Collin Armstrong, vice-president; W. H. Graham, secretary. The following are chairman of the various standing committees: executive, Eugene Beach; advertising, A. L. Deisseroth; service, Harry Brandt; legislative, W. H. H. Munns; membership, Warren E. Day; central office, Harry Wadsworth; qualification of present licensed agents and brokers, Carroll Knapp; local agency costs, Fred I. Olmstead.

W. E. BOYD'S ADDRESS

FEATURE OF SESSION

(CONTINUED FROM PAGE 11)

and then briefly explained why the Travelers Fire was organized. He said that those agents who have been specializing exclusively in certain lines have been overlooking opportunity in not obtaining more information about prospects with a view to selling either fire lines as distinct from the other lines or certain fire lines as distinct from some one fire line. He added, however, that it is his belief that every agent, no matter in which field he works, should know everything knowable about some certain line of insurance as his specialty.

Analyzes Sales Literature

He next analyzed the value of and commented on the content of the sales literature the Travelers Fire has prepared for the use of agents and advised its use by all Travelers representatives. "Of every 100 people who own homes," he said, "95 are prospects for fire insurance, and it has been estimated that 75 of them can be sold." In speaking of fire insurance on homes he emphasized the fact that although in the last 10 to 15 years the physical quality of homes built that long ago has, of course, depreciated, the general market value of the same property has steadily increased. He said that many home owners have yesterday's values instead of today's insured.

"Not three in any 100 property owners know that they can insure the rental value of their homes and mercantile establishments," he said. Rental value is easily presentable, it arouses interest and it sells itself. He told of an experience he had while in the local agency business at Buffalo, where he arbitrarily picked out a list of 50 prospects for rental value insurance and succeeded in selling 48 of them. One of the 50, he found, already had bought coverage. He advised the agents never to renew a fire policy without writing rental value on it by endorsement.

Other Lines Covered

Mr. Boyd next covered rent insurance, household contents insurance, personal effects insurance, windstorm coverage and use and occupancy. He said the personal effects policy is designed not alone for tourists, but for the protection of everyone all the time. It covers personal effects in cloakrooms, clothing or jewelry sent out for repairs, personal property left at clubs, etc. With refer-

ence to windstorm he said it used to be common that people talked in terms of tornado belts in the United States and believed what they were talking about. He said that experience has proved the fallacy of the tornado belt idea, and that in 1926, 29 of the states of the United States were struck by tornadoes. He told how certain banks in Springfield, Mass., bought tornado insurance without solicitation even though the city never has been known to have a tornado. He said that use and occupancy insurance is not a side line of fire insurance or of any other kind of insurance, but that it is the accident insurance of business and industry. He said that any agent who gives use and occupancy a little time and study can develop a good line of business on this cover.

AS SEEN FROM CHICAGO

(CONTINUED FROM PAGE 17)

	Par	Bid	Asked	Div.
Hartford Fire...	100	825	835	20.00
Hartford Steam F...	100	770	790	18.00
Henry Clay...	10	10	12	.60
Home, N. Y.	100	616	622	20.00
Homestead	10	48	52	.60
Import. & Exp.	25	98	102	4.00
Independ. Indem.	10	39	42	...
Independ. Fire...	10	22	23	.60
Ins. Co. of N. A.	10	96	98	2.00
Iowa National...	100	130	...	8.00
Iroquois Fire...	50	...	40	...
Lincoln Fire...	20	114	118	4.50
Maryland Cas...	25	180	183	4.50
Merchants, Com...	25	345	...	8.00
Merchants, Pfd...	100	125	...	7.00
Mechanics	25	90	...	2.50
Metropol. Cas...	25	93	95	4.00
Metropol. Fire...	10	9	11	1.00
Mich. F. & M.	50	...	...	5.00
Minneapolis Mech...	10	...	...	1.80
National Cas...	10	54	56	1.20
National, Conn...	100	1180	1210	25.00
National Liberty	10	202	207	2.00
National Union...	100	360	370	12.00
National Surety...	100	331	333	10.00
New Amster. Cas...	10	72	73	2.80
New Brunswick...	10	64	66	...
New Century Cas...	...	...	...	...
New England F...	25	59	62	3.00
New Hampshire	100	530	550	16.00
New Jersey...	20	68	73	1.80
New York Cas...	25	125	130	4.00
Niagara (new)...	...	145	150	...
Northern, N. Y...	...	115	130	...
North River...	25	320	...	7.75
N. W. National...	25	185	195	...
Occidental .....	...	33	35	...
Pacific Fire...	25	165	175	3.50
Pacific Indem...	50	157	160	...
Pacific National...	25	58	60	1.25
Phoenix, Conn...	100	825	835	20.00
Pioneer Fire...	20	20	...	...
Preferred Acc...	100	520	530	12.00
Presidential ...	25	...	...	...
Prov. Wash...	100	815	825	16.00
Reliance Cas. N. J.	100	165	175	...
Reliance, Pa...	10	29	31	1.20
Rhode Island...	100	350	370	12.00
Rossia	25	211	213	6.00
Security, Conn...	25	125	130	3.00
Security (rights)	...	14	16	...
South. Sur. (new)	10	33	35	1.60
Springfield ...	25	215	220	4.00
St. Paul F. & M...	25	227	233	4.00
Stuyvesant ...	100	285	295	6.00
Travelers	100	1735	1750	22.00
United States...	20	400	410	10.40
U. S. F. & G...	50	370	380	10.00
U. S. Mer. & Sh...	100	528	535	8.00
Westchester ...	10	85	87	2.50

*Ex Rights.

F. W. Kasehagen has moved his office to A-1433 Insurance Exchange South in Chicago, officing with Hodgkinson & Durfee.

Charles A. Henninger has moved his office to 830 Insurance Exchange building, Chicago.

Henth-Komaiko Company has been appointed agent of the General of Seattle in Chicago.

NEW COMMITTEE TO DEAL WITH CHICAGO

(CONTINUED FROM PAGE 9)

Western Union therefore will have a brand new committee and in its resolutions of course it suggests that the Chicago Board take similar action.

Some Desired Board Upheld

Following Mr. Palmer's talk there was a long discussion on the Chicago situation, some members declaring that the board should be upheld in the rules that it had passed, while others contended that until Class 1 commissions

were regulated it was useless to try to get all hands together.

Non-Affiliated Companies

There are 28 non-affiliated companies now operating in Chicago. The Globe & Rutgers is the largest one. These companies have been entrenching themselves and becoming more formidable. The Western Union members feel that they cannot accomplish much by going alone and ignoring the Western Insurance Bureau and non-affiliated companies. It is agreed that all companies must agree to a program and then the Chicago Board must be in a friendly spirit so that the rules will be observed. It is contended that when a Class 1 commission schedule is agreed upon, then the board members should pledge themselves not to represent any company paying a higher scale of commissions.

Many feel that with a basic schedule of 20, 25 and 30 percent there can be some readjustment in classification, so that the local board will agree to it. It has been stated that if sprinklered and fire proof business for instance were put in the 25 percent class as well as other concessions that the company committee agreed to, there is hope of all interests getting together. The companies as a whole are violently opposed to any rate war or demoralization in Chicago.

Some Eastern Officials Present

Some of the eastern officials that do not attend Union meetings very often were down at Atlanta. President Fred W. Sargeant of the New Hampshire was present with Mrs. Sargeant. He is taking a trip visiting some of the southern agencies. President N. S. Bartow of the Queen made his first appearance at the barbecue dinner at the Druid Hills Athletic Club, Tuesday night. He killed two birds with one stone at Atlanta, inasmuch as he could confer with Fred P. Hamilton of Chicago, western manager, and S. Y. Tupper of Atlanta, the southern manager. President Edward Milligan of the Phoenix of Hartford was one of the interested attendants at the meeting. Vice-President George C. Long of that company looks after the western field and is one of the strong men in the Western Union. Vice-President Fred W. Bowers of the Connecticut Fire, one of the old time western field men, was present at the meeting accompanying President Milligan. Assistant United States Manager A. J. Makins of the Commercial Union was on deck absorbing information. Col. Fred D. Layton, vice-president of the National Fire of Hartford and one of the live men in the business, was an onlooker. Vice-President E. T. Cairns of the Fireman's Fund, who had been to Boston arranging for the transfer of his household effects to San Francisco, was on a swing through the south and stopped off at Atlanta to meet old friends.

Clark Was Initiated

Robert R. Clark, recently appointed United States manager of the Caledonian, has been on a long trip going through Pacific coast territory and was on his way home. Two officials came from the head office of the Aetna, they being Vice-President Guy E. Beardsley and Secretary W. Ross McCain. One of the towering figures at the Union meeting was Vice-President W. B. Crutenden of the Springfield. When President F. R. Bigelow of the St. Paul Fire & Marine attends these meetings the two men are often taken for one another. J. C. McKown, secretary of the St. Paul Fire & Marine, was at the meeting this year.

Barbecue Well Attended

At the barbecue Manager Milton Dargan of the Royal was in high command. There were no speeches, but Manager A. F. Powrie gave a toast to the Atlanta women. Many of the southern managers and general agents were accompanied by their wives at this affair. There was a program of dancing and a Negro church choir furnished

some very excellent music. At the barbecue and in the hotel lobby. William F. Dunbar, manager of the Southeastern Underwriters Association, and Joseph S. Raine, the secretary, extended hospitality and mingled with the throng.

Before the members left for Atlanta there was a general consensus of opinion that the annual meeting should be held at Niagara Falls, Can. However, there was a good deal of opposition and it was decided to meet in Quebec, Sept. 18.

INSURANCE COST OF TORNADO MADE PUBLIC

(CONTINUED FROM PAGE 9)

storm struck and destroyed the Central high school, two grade schools and seriously damaged several other grade schools. The board had but \$77,000 in its self-insurance fund to make good the loss of from \$1,000,000 to \$1,100,000.

The tornado losses in Missouri in 1927 by companies follow:

Domestic Companies	
Aetna	\$200,243
Agricultural	62,852
Alliance	7,746
Amer. Alliance	8,892
Amer. Central	224,406
Amer. Eagle	58,339
Amer. Equit.	43,534
Amer. N. J.	132,017
Amer. Union	4,687
Automobile	123,008
Bank & Ship	44,111
Boston	172,172
Buffalo	214,265
Calad. Amer.	1,845
Calif.	23,565
Camden F.	55,070
Central States	9,759
Chicago F. & M.	16,302
Citizens	90,664
City of N. Y.	74,907
Columbia N. J.	19,581
Columbia F.	21,316
Com. Union	18,535
Commerce	11,159
Com. W. L. H.	21,059
Concordia F.	19,182
Connecticut	138,951
Continental	339,051
County, Pa.	20,813
Detroit F. & M.	3,456
Dubuque F. & M.	78,924
East & West	38,148
Empire	2,584
Equit. F. & M.	27,792
Equity F.	4,674
Eureka-Sec.	96,959
Federal Un.	21,823
Federal	44,599
Fid. Phenix	424,941
Fire Assn.	114,350
Fireman Fund	106,787
Firemen's N. J.	183,405
Franklin	77,467
Girard F. & M.	58,878
General	62,005
Globe & Rutgers	87,990
Granite State	9,694
Great Amer.	6,415
Great Lakes	3,761
Guaranty	35,388
Hanover F.	61,453
Hartford F.	322,809
Home F. & M.	35,099
Home, N. Y.	425,322
Hudson	60,106
Imperial	12,535
Imp. & Exp.	76,580
Independence	12,820
Colum. Nat.	24,552
Ins. Co. of N. A.	242,028
Foreign Companies	
Atlas	60,033
Brit. Amer.	5,994
Brit. & For.	2,190
Caledonian	28,068
Century	2,735
Com. Un.	110,930
Eag. St. & Brit.	29,747
Law Un. & R. I.	41,487
Liv. & Lon. & Gl.	244,832
London	35,060
Lon. & Lanc.	105,116
Lon. & Pro.	6,714
Lon. & Scot.	30,903
Netherlands	194,840
N. Br. & Merc.	71,463
Northern	241,774
Norwich Un.	61,983
Palatine	2,190
Ph. F. Ins. Co.	93,816
Royal Ex.	81,522
Royal A.	141,332
Scot. Un. & Na.	6,947
State A.	21,523
Sun	40,387
Tokio M. & F.	33,472
Union A.	11,432
Union, Can.	8,235
Western A.	18,341
York Ins. Co.	16,566
Mutual Companies	
Cent. M. & M.	9,727
Fid. Mut.	4,947
Gr. Desl.	42,855
Hdw. Desl.	6,950
Ind. Lumb.	19,970
Ja. St.	105,962
Lumb.	6,218
Mich. Mill.	6,067
Mill. Mut.	6,205
Miller's of Tex.	7,910
Miller's Nat.	2,770
Mill. Own.	17,560
Min. Impl.	6,640
Nat. Impl.	13,286
Nat. Retailer's	3,212
Northwestern.	6,471
Ohio Miller's.	1,126
Ret. Hdw.	6,342

PROVIDENCE WASHINGTON RUNNING MATE PLANNED

PROVIDENCE, R. I., April 18—A new company to be known as the Anchor Fire is to be launched as a running mate of the Providence Washington as soon as the charter is obtained. The petition for a charter has been with the general assembly for some time. Before any definite action can be taken, this petition must come from the com-

mittee where it now rests, be passed by both houses of the legislature and be approved by the governor.

Secretary W. H. Phillips states that no plans for organizing or financing have been completed and will not be as long as the charter has not been obtained. He also says that, after the charter is issued, it will be some time before all plans will be completed and business started.

SERIOUS SITUATION IS SEEN IN MASSACHUSETTS

(CONTINUED FROM PAGE 5) two bills calling for investigations by the legislative insurance committee early last week. On the face of the evidence presented there was not the slightest need for an investigation of fire rates and at the time the committee was undoubtedly almost unanimous against a favorable report for an investigation.

But Governor Fuller, speaking at a banquet the same evening, restated his views on the fire rate investigation. He said:

"I should like to see a brisk investigation of fire insurance rates. The profits of fire insurance companies are tremendous and out of all proportion to the rates that could be made with reasonable regard to the public interest. Just as a little flurry with the electric light and gas companies brought reductions to the electric light users of Massachusetts amounting to several million dollars, so an investigation of the fire insurance rates can be made to benefit the average citizens."

Thereupon Mayor Nichols of Boston, in accordance with the practice of not letting the state take any step in advance over the city, announced that Dr. Miller McClintock, who has just completed a Boston traffic survey, had been appointed director of the Boston fire insurance investigation, to work in conjunction with the city committee. Dr. McClintock is a nationally known investigator and director of the bureau for municipal research in Harvard University.

To Have Cumulative Effect

The cumulative effect of the announcement of the governor at the recent dinner and the appointment of the expert to act for the city is bound to have a pronounced effect on the legislature. The outcome which is feared in some quarters and which seems to be the ultimate purpose of some of those behind the fire probe, is a state bureau regulating fire insurance rates. This would mean, presumably, following the same course as was done in the compulsory automobile liability insurance rates, fixing the acquisition cost by the state and letting the companies work out the details.

However, just as the Fall River conflagration stopped the agitation effectively earlier in the year, now comes the burning of the Back Bay station of the New York, New Haven & Hartford railroad, in the heart of the city, a steel and stone structure, with a loss of \$1,000,000, on which the insurance was only \$220,000. It was a hard blow for the "over-insurance" agitators and may help to block the agitation again.

Ross Back of the Majestic

The Majestic Fire is being organized under the laws of New York. Among the incorporators are Francis H. Ross, Jr., and a number of his associates. It is understood that Mr. Ross and the Ross Agency of New York City will be quite a factor in the company.

Sentenced for Arson

Three brothers have been convicted of burning the Dunlop store at Stanley, Va., and sentenced to terms in the penitentiary. Amos Short and Asby Short were given seven years each. Ed Short, the other brother, was given three years. J. L. Taylor, chief deputy fire marshal attached to the Virginia bureau of insurance, took an active part in working up the case against the three men.



Club House

Administration Building

Power Plant Print Shop Garage

<i>Good Agents</i>	<i>Good Business</i>	<i>Good Will</i>	<i>Good Company</i>
" <i>Business</i>	" <i>Will</i>	" <i>Company</i>	" <i>Agents</i>
" <i>Will</i>	" <i>Company</i>	" <i>Agents</i>	" <i>Business</i>
" <i>Company</i>	" <i>Agents</i>	" <i>Business</i>	" <i>Will</i>

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Many a Prospect Wonders—

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THE LARGEST MULTIPLE-LINE INSURANCE ORGANIZATION IN THE WORLD

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

FRIDAY, APRIL 20, 1928

How You Going to Push Those Clouds Away?

Clouds will come and clouds will go—and you cannot do a thing to stop them. When these clouds bring HAIL, there is pretty sure to be a loss in your community.

And when your locality is hard hit through hail damage, every business in that vicinity, including your own, suffers.

It is to your advantage as well as your clients' and prospective clients' to prevent losses from hail. True, you cannot push those clouds away nor stop them from hurling down their icy pellets of destruction, but you can safeguard the financial investments that your neighbors have made in their crops.

Hail is due now—if it is possible to claim that it comes at any set time. Hail Insurance is the only protection your community can be sure will safeguard the financial investments made.

You, as the representative of The Home of New York can offer insurance protection against hail damage in a Company whose strength, Reputation and Services have been tested by Seventy-five Years in the Insurance field.

During 1927
THE HOME of NEW YORK
paid in settlement of
losses covered by
Home Hail Policies
\$1,708,308.54



THE HOME INSURANCE COMPANY NEW YORK

CHARLES L. TYNER, President

THE HALLMARK

Seventy Fifth



OF INSURANCE

Anniversary Year

CHAS. J. HEDWALL, *President*

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THE HEDWALL-SUNDBERG CO.

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LARGEST OFFICE IN AMERICA SPECIALIZING IN

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ROLLO W. WHITE, *Ass't. Sec'y.*

WOODEN INDIAN DAYS ARE PAST



GONE are the days of cigar store Indians—Hoop skirts and tandem bicycles! Yesterday's ways are not today's.

It takes more than a Wooden Indian to get business nowadays, and it is The Eureka-Security's realization of this that makes the company so valuable to agents writing Fire and Tornado insurance.

For The Eureka-Security maintains Direct Contact with its agents—They are not forgotten parts of a vast machine—Their relations with the company are at all times personal—direct.

Working together—both Eureka-Security agents and The Eureka-Security have prospered. The company is now in its 64th year and is expanding rapidly, never losing sight of the fact that the Wooden Indian Days are past—That the thing which is responsible for its growth is the direct contact it is maintaining with its agents.

Agency openings in—

Ariz.; Ark.; Cal.; Colo.; Conn.; Fla.; Idaho;
Ill.; Ind.; Iowa; Kans.; Ky.; La.; Mass.; Mich.;
Minn.; Mo.; Mont.; Neb.; N. H.; N. Y.; Ohio;
Okla.; Ore.; Pa.; Tenn.; Tex.; Utah; Va.;
Wash.; W. Va.; Wis.; Md.

Address—B. G. Dawes, Jr., Vice-President.

**EUREKA-SECURITY
FIRE & MARINE
INSURANCE COMPANY
OF CINCINNATI, OHIO**

KNOWN ALSO AS THE CINCINNATI UNDERWRITERS



**Guard
your growing crops**



"AMERICA FORT"

**The CONTINENTAL
INSURANCE COMPANY**
EIGHTY MAIDEN LANE, NEW YORK, N.Y.

ERNEST STURM, Chairman of the Board
PAUL L. HAID, President

CASH CAPITAL - TEN MILLION DOLLARS

NEW YORK CHICAGO MONTREAL SAN FRANCISCO



"AMERICA FORT"

Sales

of Hail Insurance will be stimulated by placing prominently in the window or on the walls of your agency office a copy of The Continental three-color window poster reproduced herewith, which calls attention to the necessity for carrying Hail Insurance on growing crops.

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GREAT FALLS, MONT.....11 2nd St., No., Box 1515
OMAHA, NEB.....777 Brandeis Theater Bldg.
TOPEKA, KAN.....502 Mulvane Bldg.
OKLAHOMA CITY, OKLA.....Equity Bldg.
DENVER, COLO.....Gas and Electric Bldg.
CHICAGO, ILL.....Box 771, 844 Rush St.



1903

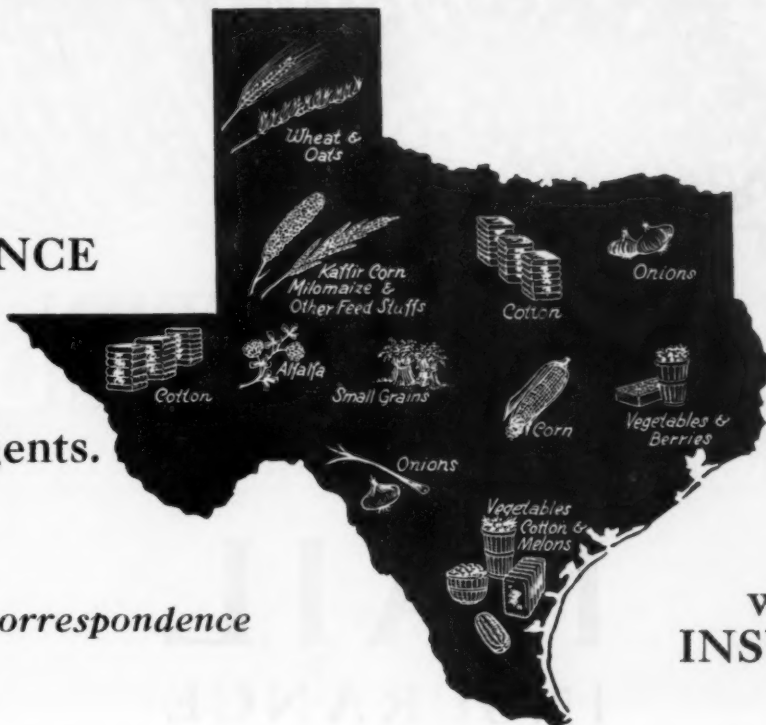
Twenty Five Years in Texas

1928



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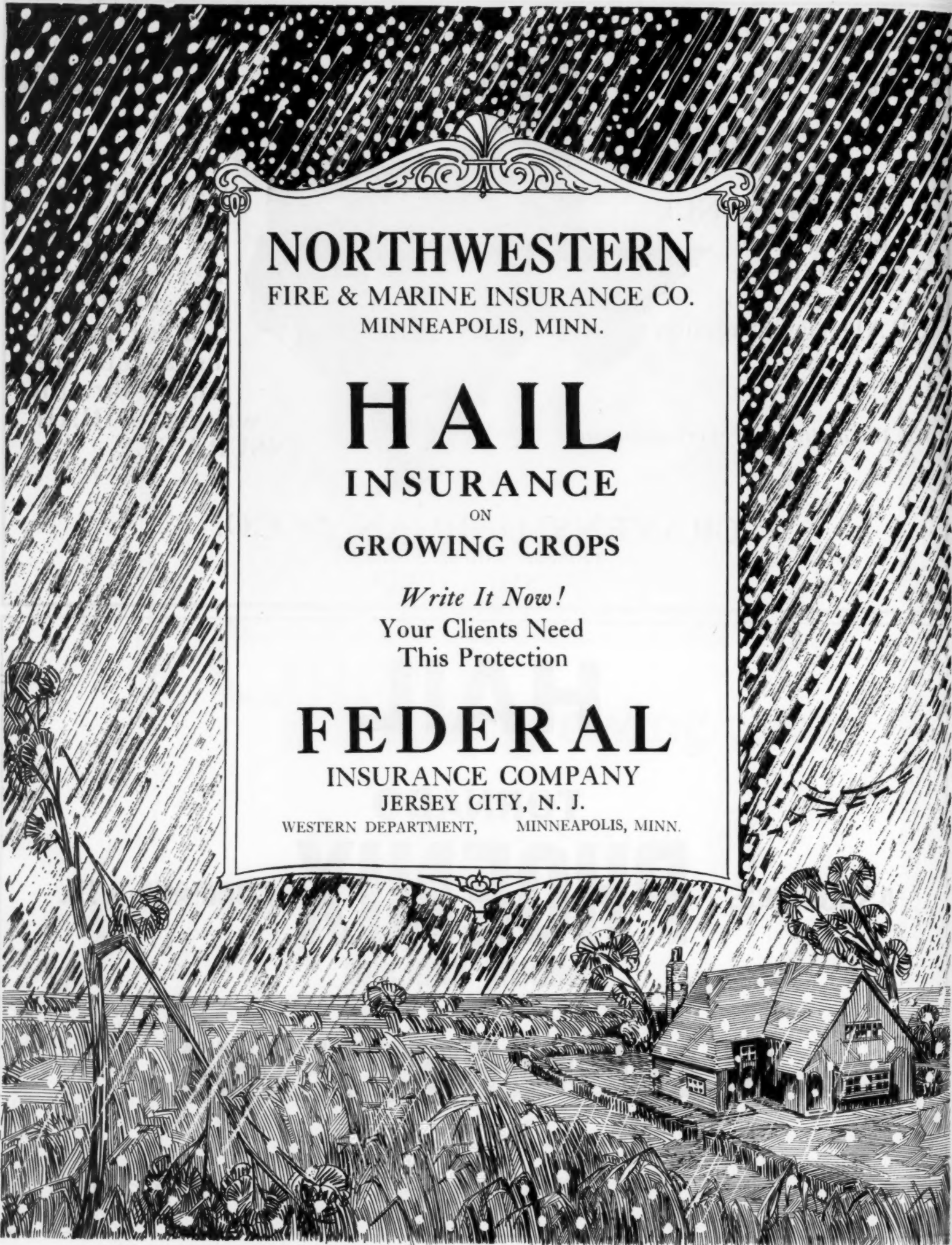
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The National Underwriter

Hail and Tornado Insurance Number



HAIL insurance companies are beginning the 1928 season with considerable optimism notwithstanding their experience of last year. A loss ratio of 77 percent, such as the experience showed for 1927, is not calculated to put the underwriters in good humor. Nevertheless there is a feeling that great progress has been made in the handling of this line. The co-operative adjustments are working out successfully and pleasing both the agents and the honest farmers, as well as the companies. Agents are waking up to the fact that rate is the biggest obstacle to the universal sale of hail insurance and they are beginning to realize that rash adjustments send the rates up. Under the old practice, for the sake of satisfying a tricky farmer who the following year would probably seek another agent anyhow, an agent would put pressure on his company for a liberal adjustment, or for an adjustment on the basis of hail loss when the loss was possibly due to insects or other crop damage. It may be that the companies are still occasionally led into paying for insect damage when their policy only covers hail. However, such payments now are due solely to compromise, and not to the desire to make false friends for competitive purposes.

A CLOSER statistical record is now being kept and as the period covered by this record grows larger, closer rating will become possible. This means that the less hazardous districts will get lower rates and hail insurance will be easier to sell. Accurate rating helps those who have to sell the insurance, whether the rates are high or low. If the rating is impartial and on a sound system, a high rate simply indicates a high hazard and any fairly good salesman can show the farmer that it is a better reason for insuring than a low rate. On the other hand, the low rate

in the better districts decreases the sales resistance. Every assured or prospect thinks that he has an exceptionally good risk and if the rates are level he is inclined to save the premium under the conviction that the hazard is not worth the money. When the rates are made according to hazard any agent can point out that a high rate is a big inducement for protection because it is evidence of a high hazard.

WHEAT produces the largest share of hail insurance premiums in the western territory. While a considerable amount of acreage has been winter killed, thus apparently reducing the acreage to be insured, the effect this year will probably be just the opposite. On the Chicago Board of Trade wheat has advanced 20 cents to 25 cents within the last month or so. Thus the crops that came through the winter are becoming more valuable and with a wheat scarcity the farmers will be more inclined to insure. Therefore the reduction in the wheat acreage will doubtless prove beneficial rather than otherwise to the hail insurance business.

THE southeastern part of the country is steadily growing as a hail insurance factor. Both cotton and tobacco are being insured and the tobacco crop runs to high values. The limit of insurance on dark tobacco is \$150 and on burley \$200 per acre for full inter-

est. If a tenant is planting tobacco on shares his limit is a proportionate share of these amounts. Both the owner and the tenant can insure their interests, but the companies desire to insure them separately. This prevents a tangle on adjustment.

Cotton is insured on the "stepladder plan." That is, the loss is limited to one-third of the stated amount per acre during the first 15 days of the policy and to two-thirds during the second fifteen days. After thirty days the policy covers for the full amount. This is the only crop on which the stepladder plan is followed.

FRUIT is another crop that is beginning to yield hail premiums in considerable volume. This is written both in the southeast and in New York, as well as in the west where hail insurance has yielded a big volume of premiums for years. Some general farm crops are insured in New York but this line as yet is not growing in the east as well as the demand for coverage on fruit. Hail insurance is also written in New England, largely on tobacco.

The eastern and southeastern sections of the country are showing up so well as producers of hail insurance premiums that the traveling school of the hail association makes the eastern circuit. Sessions were held at Atlanta, Ga., and Syracuse, N. Y. This

traveling school has been one of the best factors in putting the hail business on a satisfactory basis.

THE high loss ratio of 1927 was not due to any one district. At least the hail losses were severe in all districts. This fact also is expected to have an influence in increasing the volume of premiums for 1928. When hail losses are paid in any district, the farmers who suffered loss without insurance are pretty sure to make mental note to carry the protection the following year. There have been years when the companies have had severe loss ratios, due to storms concentrated in limited territory. Such an experience instead of helping premiums, is apt to lead the farmers in the immune territory to believe that they do not need the insurance.

SALESMANSHIP of the agent is receiving more attention probably from the hail insurance division than from any other branch handled by the fire companies. Considerable direct educational work is done with the agent. Of course, in the west banker agents are very likely to demand hail insurance from borrowers who need to be financed, and as most of the farmers borrow money for their crop operations, the salesmanship consists of telling the farmer to sign the application and sign his note for the premium. Nevertheless there are a good many agents who go out in the country and make their sales to the farmers themselves. Many of them employ a hail insurance solicitor for one month during the year. With \$16,000,000 in premiums, mostly taken out of comparatively few states, hail insurance is a big factor with a large number of agencies. While the reduction in commissions caused some dissatisfaction and threats to take on mutual representation, the experience with mutuals does not make it very safe for agents to give their customers that kind of protection.

U. S Hail Insurance Leaders

	1927		1928	
	Prem.	Losses	Prem.	Losses
Hartford	\$3,428,677	\$2,503,526	\$3,145,964	\$1,678,783
Home, N. Y.	1,819,905	1,601,885	1,838,727	1,065,425
St. Paul F. & M.	1,139,581	901,509	1,002,105	507,575
Globe & Rutgers	728,248	522,035	439,943	245,371
Great American	720,389	481,302	561,669	250,686
Continental	666,446	442,546	392,912	170,632
North America	550,077	422,907	522,982	292,739
Springfield F. & M.	510,654	250,246	598,312	338,770
Aetna	490,301	339,657	480,201	256,944
Niagara	487,764	364,805	584,406	364,337

Looking Backwards—and Also Ahead

By JACOB NELSON

Manager Hail Department, America Fore Companies

THE hail business, like a great many other lines of activity in which stock fire companies are engaged, has been undergoing a process of revision and renovation during the past five years, so a brief review of its past record might not be amiss at this time.

During the past 13 years, members of the Western Hail Adjustment Association have assumed hail liability of almost \$1,200,000,000 and have paid losses of \$58,580,000, with a loss cost or hailing ratio of 4.904 percent. If we were to add the figures of mutuals and state hail funds during the same period, it would be seen that the business is one of considerable magnitude and represents a form of coverage for which the demand is constantly increasing. Farmers and agents are beginning to realize more and more that hail insurance is an economic necessity for the crop grower and that it is just as important for him to protect his income, in the form of growing crops, against damage from hail, as it is for him to protect his investment in buildings, stock and farm equipment against damage from fire, lightning and tornado.

While it is true that the hail business is to a large extent at the mercy of the elements and no human agency can either start or stop a hail storm, still the fact remains that it can be underwritten with a reasonable degree of safety if care is exercised in the selection of risks and a wide distribution of liability is secured.

Visible Effect of Financial Conditions

It is interesting to note that financial conditions throughout our agricultural regions have a direct and important bearing on results obtained. In 1919, when the government guaranteed the price of wheat and the farmers were prosperous, hail business was easily written over the country as a whole and the consequent wide distribution of risks resulted in a loss cost of 3.07 percent on liability of \$141,000,000 in spite of a normal number of hail storms. Since the average rate applying in all territory during the past 13 years has been in the neighborhood of 7 percent, it will be seen that the business returned a satisfactory profit that year.

When the deflation period of 1920 set in, and our agricultural regions during the next year suffered the worst financial depression in history, the hail business was one of the immediate victims. Premiums fell off rapidly each year, with a resultant increase in acquisition costs, and the fact that the business was confined to known hail areas caused the loss ratio to mount to alarming proportions. Furthermore, farmers and their creditors needed money badly and became more contentious in their dealings with adjusters, thereby increasing the moral hazard of the business which had previously been recognized as a serious problem. The volume of business reached its lowest ebb in 1922, when only \$55,000,000 of liability was written at a loss cost of 6.37 percent, more than double of 1919, but the peak in loss cost was reached the following year, 1923, when it mounted to 7.02 percent.

Merit System Brings Down the Cost

At this stage of the game, the companies adopted the merit system of rating, which automatically increased rates in high hazard territory and reduced them in districts which had previously shown a good record. As a result of this move, the volume of liability started to increase each year until in 1927 a total of \$150,000,000 was written, the largest volume ever known. The loss cost was reduced from 7.02 percent in 1923 to 6.35 percent in 1924, to 4.04 percent in 1925 and to 3.84 percent in

1926, and it appeared that the hail business was coming into its own when the worst hail year in history, 1927, struck us like a thunderbolt. Storms were frequent and of unprecedented intensity. Territory which had hitherto seemed immune was visited by devastating hail storms, not once but several times during the growing season. Not a day passed but what hail was reported from some part of the country.

However, in spite of this terrific experience, the loss cost in 1927 amounted to but 4.959 percent as compared with the 13-year average of 4.90 percent, which speaks volumes for the improved method of transacting hail business. Losses paid by association companies amounted to \$7,500,000 in western department territory alone and the only year comparable with 1927 is 1916 when \$6,800,000 was paid out. In 1916 the loss cost was 7.39 percent, so it must be admitted that the new methods of rating, underwriting and adjusting

saved the companies several millions of dollars.

Now Getting Accurate Statistics on Crops

About four years ago, the stock companies commenced to report their experience figures to the association by townships within counties and by crops within states. As a result, it is now possible to ascertain in what portions of a county losses must frequently occur and by studying the experience figures on the various kinds of crops, the relative damageability of such crops from the same amount of hail may be accurately determined. As time goes on and more statistics are gathered, it will be possible to promulgate rates with more accuracy and also to determine what differential rates, if any, are needed on the different kinds of crops, such as small grains, corn sorghums, forage crops, cotton, tobacco, fruits and vegetables. Since by far the greatest amount

of liability is assumed on wheat, the rate on that particular crop may well serve as a basic rate for differential calculations.

Policy Has Been Made More Definite

In addition to improving their rating methods, the companies several years ago inaugurated a number of changes in the policy contract which set forth more clearly the exact nature of the coverage granted. Damage from causes other than hail is now more specifically excluded. Restrictions were adopted as to the time when liability attaches and terminates on various crops in different localities. The present contract is eminently fair since it fully indemnifies the insured against actual hail damage at times when crops may be severely injured, but at the same time it eliminates a lot of inconsequential damage which was formerly allowed owing to the indefiniteness of the old policy.

Educational Meetings Improve Conditions

Having corrected rating methods and policy conditions, the companies then directed their attention to the adjustment situation. During the past three years, a committee, appointed by the Western Hail & Adjustment Association, has been conducting regional meetings in important cities throughout hail writing territory, and the results are very gratifying. At those meetings, which really constitute a school of instruction, there have been in attendance, not only hail special agents and adjusters, but fieldmen for other company departments as well and all have expressed their appreciation of the information and knowledge disseminated. The policy contract has been explained paragraph by paragraph, adjustments on various kinds of crops have been discussed by men who are best qualified to do so, proper and uniform methods have been urged and forms furnished for the purpose of recording field tests or counts; the desirability of cooperation between company adjusters, fieldmen, branch offices and supervising offices has been stressed and vital information is now being freely exchanged. In short, the hail business today is in a healthy, growing condition. Competition, while keen, is clean. In many respects the season of 1927, in spite of its terrific hail storms, was one of the most satisfactory ever experienced by veterans of the business, because of the vast improvement shown in the general conduct of the business.

Look Ahead With Spirit of Optimism

Looking ahead into the future, hail men are inclined to view their prospects with a spirit of optimism. Available weather records show that over a given period of years the frequency and severity of hail storms will average about the same in spite of abnormal years now and then. If the improved methods of conducting the business have eliminated some of the evils that have crept in during recent years, and, if the storm experience of the future will be similar to that of the past, there is no reason to doubt that the business will return a satisfactory profit to the companies under normal conditions.

Premium Record

	Tornado	Hail
1927	\$40,003,709	\$16,559,432
1926	36,692,816	15,419,384
1925	37,119,598	16,601,800
1924	27,212,460	11,993,080
1923	27,715,807	11,301,457
1922	21,846,871	9,324,151

Good Arguments for Selling Hail Insurance on Tobacco

By W. B. BROCK

Secretary, Hail Underwriters and Adjustment Bureau, Lexington, Ky.

THE NATIONAL UNDERWRITER has asked me to prepare a short article on how to write hail insurance. I regret that the writing of hail insurance is not my end of the game. My job is to count the hail holes, when a loss occurs, excluding the worm holes, grasshopper holes and all other holes a leaf of tobacco is heir to; and leave the claimant satisfied, that he has been fairly treated. When this has been done, and we try to do it, it is a very strong argument in favor of writing that man's crops from year to year.

Hoping I may say something to quicken the activities of some dormant agents, I am responding to the request.

Agents should sell themselves, before attempting to sell their customers. Thoroughly analyze the contract and determine what indemnity it offers. If you were a tobacco grower, would you buy hail insurance? If you are unable to sell hail insurance to yourself, it is useless to try to sell a customer. A half-hearted attempt gets you nowhere. Know your "onions" and be prepared to answer the arguments advanced with level headed reasoning.

One Acre of Tobacco Makes a Prospect

Everyone who grows an acre or more of tobacco, is a prospect. Don't wait for customers to come to your office and insist on you writing their hail insurance. They will soon quit doing that and give their insurance to the agent who goes after the business. Get in your car—don't put it off until the other fellow has already made the rounds—and make a farm to farm canvass in a systematic way, explaining the advantages of hail insurance. It will improve your health and your bank account will grow fat.

The fellow who says he has no money to pay the premium is the fellow who needs hail insurance the most. Mayhap he is a tenant to whom the landlord and the groceryman are advancing money and supplies for the existence of himself and family, and he is depending absolutely on his crop of tobacco to pay himself out of debt. What hap-

pens to him should the tobacco crop be destroyed by hail, too late to grow another crop? He would have to join the army of job hunters. In the meantime his family will suffer, as the landlord and groceryman will naturally discontinue their support. If he has hail insurance, he will be able to pay his debts and have something left to tide him over until he can find employment.

Argument to Use With the Landlord

A good argument to use with the landlord is that a hail policy not only protects his interest in the crop, but also is good security for money loaned to his tenant. If no loss should occur, he is only out a trifle for premium, whereas if a severe storm does occur, he recovers enough to pay for his ground rent, money advanced to his tenant, etc., and has done a real service to the poor fellow who has his all at stake.

A potent argument to use with those growers who have large acreage, is that during the growing season of tobacco, is the time when hailstorms are more prevalent. Their crops are out in the open with nothing to protect them from hail damage. By paying a small sum for premiums, the companies take the risk of a partial or total destruction by hail.

Storms Are Growing More Frequent

My observation is that hailstorms are becoming more frequent and severe. According to my theory, this is accounted for by the removal of the timber which was a wind break. Where will the storms hit this season? No one knows. Use your best efforts to sell your clients.

Go up against some of the live wire growers, get their attitude and listen to their arguments. If you know your policy contract and meet their arguments with good reasoning, you should be able, with a little salesmanship, to write the business without difficulty.

Remember it costs no more to insure a crop early in the season than it does later and if you "cop" it early, you beat the other fellow.

Widespread Menace of Hail Damage

By S. D. FLORA

Meteorologist, U. S. Weather Bureau and Kansas State Board of Agriculture, Topeka

HAIL storms of 1927 made some big dents in the profits of hail insurance companies, especially in the middle west. It required only six days of the year for losses from terrific hail storms in Oklahoma, Kansas, Texas, and eastern Colorado to total over seven and a quarter millions of dollars, according to estimates of the United States weather bureau. These particularly bad hail days were May 4 and 5 and the first four days of June. Exactly what the total hail loss of 1927 was will probably never be known. Estimates of outstanding storms that came to the attention of the weather bureau, with its network of more than 5,000 observing stations, showed losses exceeding \$15,000,000 from 298 storms. This compares with 295 severe hail storms and losses exceeding \$12,000,000 in 1926; 266 outstanding storms in 1925; and 225 in 1924.

Does Not Include Small Local Storms

To what extent these especially heavy losses would be increased by the loss from hundreds of smaller storms that attracted only local notice is a matter of conjecture. Experience of hail insurance companies shows thousands of

las county on May 8, causing a loss of \$875,000 to buildings, crops, and automobiles. The weather bureau official at Dallas stated that after the storm had done its work "scenes in the streets resembled destruction by machine gun fire." Plate glass in business sections and windows with northern exposures, as well as sky lights, were riddled. Roofs of composition, tile, and old shingles were demolished. Tops of automobiles and street cars were punctured by the hail stones some of which were reported as large as hens' eggs. Reliable reports stated that the largest stones of this storm were 8 to 18 inches in circumference and weighed as much as 22 ounces each.

Severe Losses in Eastern States

The east has also experienced great hail damage. In New York state on June 26, 1926, a hail storm that extended from eastern Wyoming county to eastern Ontario county caused damage to fruit, cabbage, beans, and grain crops estimated at from \$200,000 to \$500,000. Hail stones were reported one to two and a half inches in diameter and in places lay 4 inches deep on the ground after the storm.

Northwestern Massachusetts and southeastern New Hampshire had a hail storm on July 17, 1924, that destroyed crops and fruit trees, riddled market gardens, and broke hundreds of windows in farm houses. Stones as large as hens' eggs were the rule rather than the exception in this storm. In some localities lumps of ice larger than base balls were reported to have fallen.

On June 6, 1917, Maryland reported a half-million dollar loss from one hail storm while on May 24, 1925, Baltimore, Md., had such a heavy fall of hail that drifts of ice blocked street cars at a busy street intersection for 20 minutes.

Even Pacific Coast Suffers from Hail

Even the Pacific Coast lacks much of being out of the reach of the hail demon. California reported a loss of \$300,000 to the peach crop in Sutter county on May 7, 1926. Arizona, New Mexico, Washington, and Oregon have also recorded severe hail storms with losses running into thousands of dollars.

In the middle west, where an immense acreage of grain approaches maturity at the season when the worst hail storms occur, losses of \$1,000,000 to \$2,000,000 from single hail storms are by no means uncommon. Iowa had

such a storm on Aug. 18, 1925, that apparently developed in Poweshiek county and moved southeastward into Illinois. Damage from this storm was estimated by weather bureau officials at not less than \$2,500,000 and possibly twice that amount. Kansas, Oklahoma, Texas, Missouri, and Illinois have in past years reported hail storms almost as destructive.

Many States With Losses Exceeding \$100,000

In 1927 seventeen states reported to the weather bureau hail losses that exceeded \$100,000. Seven of them, Colorado, Illinois, Iowa, Kansas, Nebraska, Oklahoma, and Texas, reported hail damage of over \$1,000,000 each from outstanding storms. In Kansas, where hail losses reported to the state insurance department by stock insurance companies alone totalled almost \$3,000,000, hail rates were raised from 20 to 30 percent in the western part of the state at the close of the season, after the entire year's business had been carefully checked over by the state superintendent of insurance.

Kansas Suffered Heavily in 1927

Kansas had one storm on June 2, 1927, that devastated 30 square miles of promising wheat, almost ready for harvest, in Barton, Pawnee, and Stafford counties. Losses from this storm were estimated at \$2,000,000. The northwestern counties, Cheyenne, Rawlins, and Decatur, had a half million dollar loss the same day and the day following added almost another half million dollar loss, this time in Dickinson and Saline counties, and along the Arkansas Valley west of Garden City. On June 4 a hail storm struck Gove and Lane counties, Kan., that was almost without parallel for severity. Over a path five miles wide fields were stripped as bare as highways. Live stock and small animals were killed by the hundred and hail stones piled into drifts in low places to the depth of 8 to 15 feet and remained for days after the storm. On Aug. 21 another hail storm struck Osborne county, Kan., and piled up drifts of ice two to three feet deep that completely obstructed traffic on North 40, one of the main east and west highways across the state, from Sunday evening until early Tuesday morning, when they had to be moved by a power driven road grader.

Another 1927 hail storm struck Weld county, Colo., on July 13, riddling crops

and smashing windows over an area of 150 square miles. Much of this was irrigated country, planted to sugar beets, alfalfa, and truck and very little survived the terrific pounding. Loss from this storm was estimated at all the way from \$500,000 to \$1,500,000.

Another Colorado hail storm that struck on June 2, 1927, caused a loss of \$500,000 to green houses, skylights, and truck gardens in and near Denver. On June 1 Limon, Colo. reported a \$350,000 hail loss to crops.

Put 17 People in Hospitals for Injuries

St. Louis, the scene of the worst tornado of 1927, was struck by a hail storm on May 28 that year with resulting damage to windows, green houses, roofs, and automobiles considerably in excess of a million and a half dollars. Shaw's Botanical Gardens, one of the show places of the city, with its thousands of square feet of glass roofing, was reported to have suffered a loss of \$750,000. East St. Louis and Granite



Enough to Do Damage

such losses that are paid every year and that in the aggregate run into millions of dollars.

The hail menace is certainly not one that is diminishing from year to year nor is it confined to the great grain growing states of the middle west.

Michigan, ordinarily not considered a state where hail is a bad risk, had losses from this source that totalled \$2,610,678 in the 4-year period ending with 1923, according to estimates of United States weather bureau officials.

In Iowa, one of the few states where assessors canvas hail losses, the hail damage of 1923 was set at \$2,319,506; in 1924 at \$6,763,838; in 1925 at \$7,975,691; in 1926 at \$2,342,187; and for 1927 the preliminary estimate is \$4,700,000.

South Experiences Destructive Hail Storms

The south is visited by destructive hail storms at rather frequent intervals. South Carolina reported hail storms on June 8 and 9, 1919, that resulted in over \$350,000 damage in Sumter, Clarendon, and York counties. Anson county reported hail devastation on April 21, 1921, so severe that 90 percent of the foliage was beaten from pine trees in the path of the storm and 40 acres of the worst damaged had to be sold for immediate lumbering, according to the report of the state forester. No growing crops could have survived such a pounding. Fruit trees and pecan trees were almost fatally injured, gardens were demolished, many roofs broken up, and grain fields destroyed. Hail fell over this strip for three-quarters of an hour and some of the stones, according to reliable witnesses were "from the size of partridge eggs to that of hens' eggs."

Texas had hail storms in May, 1926, that caused losses estimated at over \$2,959,000 by weather bureau officials. One of the worst of these struck Dal-



Damage to Cornfield by Hail Storm



Not Apples—Hail Stones

City, Ill., estimated their loss at \$760,000. Newspapers stated that 17 persons had to have hospital treatment on account of bruises and cuts from the hail stones, some of which were reported as large as base balls.

Two days later than the St. Louis hail storm, on May 30, wind and hail in Scott county, Mo., damaged corn, cotton, and other crops to the extent of \$400,000 over an area of 5 miles wide and 10 miles long.

Texas and Oklahoma Report Much Damage

Oklahoma, in addition to its hail loss of more than \$2,000,000 on May 4 and 5, 1927, had a series of hail storms on June 1 and 2 that destroyed almost another million dollars in property. Westville, Oklahoma, and vicinity, reported a hail loss of \$360,000 on June 1. Stroud and vicinity had a wind and hail loss the same day that amounted to \$200,000. Tillman County, Oklahoma, reported a hail loss of \$122,000 that day and on the following day a \$100,000 loss occurred over a path 14 miles long from Venita to Miles, Okla.

Texas reported more than 20 heavy falls of hail in 1927, mostly in April, May, and June, with total losses considerably in excess of \$1,000,000. One of the worst of these was near Yoakum, on April 12, where the damage was estimated at \$250,000. On June 1 a crop loss of \$220,000 occurred between Knox City and Munday, Okla., and five days later Munday and vicinity had another hail storm, with a loss of \$95,000.

On Aug. 7, 1927, a hail storm in the vicinity of Ft. Robinson, Neb., caused a loss of \$250,000. In many sections it

(CONTINUED ON PAGE 10)

Flax Losses Mixed with Diseases

By GROVER C. EDWARDS

Hail Special Agent and Adjuster, America Fore Companies

A GENERAL discussion on shattered small grain losses applies fairly well in many respects to flax losses encountered. As stated, there is always some reason for shattering; included in these are wind, over-ripeness, disease, insects and of course hail. The typical structure of the flax plant, as to branching, construction of stems, and ball-like shape of bolls, cause it to be more susceptible to certain types of wind damage than many of the small grain crops, whose straight line single stem structure is not so susceptible to entanglements and consequent breakage. The flax stems, and branches bearing the bolls, in course of being threshed about in a strong wind, naturally interlock, and in pulling apart result in numerous bolls being pulled off and dropped to the ground. However, on careful inspection it is usually quite possible to segregate the wind damage from actual hail damage. In any case when the major damage has been wrought by hail, evidence to this effect will not be lack-



GROVER C. EDWARDS

ing, except occasionally in the case of real ripe flax having been hit by exceedingly fine hail. You may always distinguish the flax branches that have been knocked off from those that have been pulled free, and as before, in the absence or presence of this certain specific evidence, as the case may be, our liability is placed.

Aside from the many phases of mechanical damage, we are oftentimes confronted with the more serious situation arising from vast inroads on the growing crops by hordes of devastating insect or bacterial life perhaps in conjunction with hail damage to more or less degree. More complicated, and potential, perhaps, are numerous diseases of flax, many of which may be construed and palmed off on the uninitiated as a result of real unadulterated hail damage. Only the more important and those most frequently encountered along the way in connection with hail claim adjustments will be considered here.

Rhizoctonia—a very destructive disease of flax. Individual plants are attacked by the fungus just beneath the soil line where brown lesions are formed. The lesions later extend up to the cotyledonary leaves. The affected portion of the stem is often reduced to a dry pulp which splits, and breaks and produces a ragged appearance. The affected plants wither and die.

Stem Blotch—a new disease of seed flax which does considerable damage by causing a premature ripening and drying of the seed. Characteristics, greenish yellow to dark brown mottling, ap-

pears on the stems, leaves and capsules. These lesions appear as dots, but later lengthen and widen until they extend around the stem. Irregular shaped bands of green are left between the brownish lesions. You have perhaps had the grower come at you with "What makes them brown spots if it ain't hail?"

Weakened Plant Is Easily Damaged

Rust—strikes both resistant and non-resistant varieties of flax. The disease is severe at times in the Red River valley. The leaf surface is greatly reduced by the attack of the fungus. This flax rust fungus has two kinds of spores, both produced on the flax plant. Rounded pustules of bright orange cover the leaves and green stems early in the season, and elongated brown or purplish pustules occur on the stem a little later. The spores live over winter on the flax straw. The main injury is to the fiber, thus weakening the plant to an extent where it is readily susceptible to breakage by wind action.

Wilt—Flax wilt is undoubtedly the chief limiting factor associated with flax cropping. It causes the gradual dying out of the crop when land is sown to flax year after year. Losses occur in fields each year, from a trace to 100 percent, according to extent and spread of disease.

It destroys flax plants by attacking the water conducting vessels of root and stem so that a wilting of the plant ensues. Affected roots are ashen-gray in color. The leaves turn yellow, first at the tips and then entirely. Finally the tips of the branches bend over, and soon the entire plant presents a dead appearance. The wilt fungus is a soil fungus. If the disease is carried with the seed into healthy soil, only a few plants may be attacked the first year, for the reason we often find circular areas in which the plants are dead, and dying. Many plants are killed before emerging from the soil; others are attacked when an inch or more in height, and still others when several inches high. Eventually the loss

may become total. Were it not for the fact that certain kinds of flax are resistant to wilt, production of this crop would be impossible in many regions.

Due to this characteristic, and gradual wilting and dying of plants in the diseased areas, many complicated situations arise in connection with hail loss claim adjustments.

To illustrate, let us take as an example the farmer who has had little or no experience with flax wilt. Early in the season he plants a certain acreage of flax, perhaps the planting is done on a distant or seldom inspected portion of his farm. He takes out a policy protecting his crops against hail damage. Later on in the season a real hail storm comes along. The farmer immediately rushes over his field. He may be sincere in his belief that the damage to his flax field was caused wholly by hail, where the major portion of his trouble is due perhaps to wilt, and in the presence of the wilt it is necessary at times to go into details and point out the diseased plants in the various stages of wilt injury. By a careful inspection of the wilting plants from roots to tip, there should be little or no difficulty in convincing the owner and separating hail damage from wilt injury.

Two Kinds of Canker Cause Losses

Canker—In the northwestern states, great losses in both wilt resistant and non-resistant flax varieties are incurred each year by a trouble commonly called "canker." In some instances it appears as a trouble similar to wilt. In other cases the term "canker" refers to a girdling of young plants at the soil line which causes them to fall over. One of these forms is spoken of as "anthracnose canker" while the other we speak of as "heat canker." The one is caused by a parasitic fungus, the other has no parasite associated with it, and is caused perhaps, by high temperatures at the soil line.

In anthracnose canker, lesions appear

on the seed leaves when the plants are one or two inches high. These lesions are present on the cotyledons when still in the seed coats, these classifying the disease as an internal seed-borne disease. The lesions increase in size as the young plant grows, and from the seed leaves the trouble spreads down the stem until numerous lesions appear by the time the seed leaves shrivel up and drop off. The cankers or lesions form as far down as the soil line, and wherever formed, prevent the enlarging of the stem so as to produce a girdled condition. If the cankered plant continues to live, it produces shriveled seed.

The heat canker is characterized by a girdling of the stem at the soil line, a



HEAT CANKER (LEFT) AND SOUND FLAX

subsequent breaking over of the young seedlings, and an absence of canker or lesions on any other portion of the plant. Young plants are most susceptible to the attacks, but after injury may remain alive for weeks. The stem injured at the surface of the ground enlarges just above the injury, and sometimes breaks over, but may remain alive as long as the vascular system functions, even to full maturity.

No Difficulty in Separating Kinds of Damage

In the absence of a close inspection many of the cankered plants, both anthracnose and heat form may stand up until some extraordinary condition, such as wind, rain, wind-hail or a combination of these elemental disturbances arise, resulting in the excessive breaking over of the injured plants.

Here again we should have little or no difficulty in separating hail damage from canker. You will find that many of the fallen plants show the small whitish thread-like structure of vascular system, which until now held the affected plant in an upright position. It is usually possible to point out the canker lesions in many different stages of development.

Selling Hail Insurance on Fruits Easy With Right Talk

By ROY WILHOIT

In Charge of Hail Risks on Fruit, America Fore Companies

FRUIT growing is a hazardous business. All kinds of enemies are at hand ready to destroy the growing crop. Insects, pests and fungus diseases annually destroy millions of dollars worth of fruit, but the progressive fruit grower protects his fruit from these pests and diseases by spraying. But against the destructive hail storm they have no protection, and here is where hail insurance renders a valuable service in that it protects him against a monetary loss.

Production Cost Is About \$100 per Acre

The average cost of producing a good crop of fruit is \$100 per acre and we give him protection to that amount. If it is important that a farmer protect his investments in buildings, machinery and stock against loss by fire, lightning, and tornadoes, why is it not equally important for him to protect his investment in a growing fruit crop against loss by hail.

Hail can utterly destroy a fruit crop in ten minutes time, and they occur more frequently over a great territory

each year than either fire or tornadoes. If this is true is not it a good business to protect his crops against loss by hail?

To the grower who says he cannot afford to buy insurance because of financial circumstances I would say to him that he is the one in need of the protection the most, as I have known several growers who not only lost their crops but their homes and orchards, because they did not think they were able to buy hail insurance.

If the grower has a good crop he can afford to pay for the insurance, if hail destroys his crop the insurance company pays him for the loss, so why not unload the hail hazard on the insurance company?

Hail Writing Has Proved Hazardous

Hail insurance on fruit has proven to be a very hazardous business, several of the big hail writing companies have withdrawn from the fruit business. We try to get the grower to see that he is really fortunate that he can buy this class of protection, for if the big insur-

(CONTINUED ON PAGE 38)

Lower Rates and Easier Selling

Payment Only of Actual Losses and Elimination of Moral Hazard on Hail Would Widen Market and Help Agents

By WILSON B. REYNOLDS

General Agent at Fremont, Neb.

(Paper Read at Meeting of Nebraska Association of Insurance Agents)

HAIL insurance is a subject that takes my memory back about twenty years. R. B. Schneider, who until the time of his death was one of Fremont's most successful men, came into the old office of Colson & Reynolds, with which I was associated, and asked to buy an insurance policy protecting his crops against hail damage. Commissions in those days were few and far between and Paul Colson and I thought we were pretty keen boys in the insurance business, but hail insurance had us both stumped. We had heard vague rumors there was such a form of coverage as hail, but we had no company writing the class and, to make a long story short, after considerable shoe leather had been indulged in, we finally succeeded in placing the policy with the good old friend of all of us, C. C. Pollard. Mr. Pollard confided in me that he had never before written a hail insurance policy, and I doubt very much if many Nebraska agents had done any better, yet today you will find that stock companies doing business in Nebraska during the average year write premiums in excess of \$2,000,000 and in the decade past have collected considerably over \$20,000,000 in premiums, and paid out at least a sufficient percentage of the money to permit their consciences to say "we have lost money."

Money Has Been Lost in Many States

Nebraska is not alone in disrepute among hail writing companies in this respect, as the states of Kansas, Colorado, Wyoming, the Dakotas, Montana, Minnesota, and even the sister state of Iowa, which is noted for its elongated corn, seem to be victims of the Demon Hail, particularly if the owner or tenant of the land has a policy of hail insurance. There is something strange about it. The terrors of black cats, blue Mondays, spilling salt, or seeing the moon over one's left shoulder, are not among my worries, generally speaking, but it does seem rather strange that in four cases out of ten during the average year in Nebraska, a farmer holding a hail insurance policy will collect something. It is not unusual for the percentage to run higher than I have stated, and sometimes it seems there must be some-

thing almost supernatural that runs the percentage of claims in hail insurance so much higher than in the other lines.

Our friends—the mutual companies—oftentimes predict better results, but the continual flood of newly born and re-born mutual companies shows that Providence seems to treat those doing business on a cost plus basis just as roughly as in the case of stock companies.

Excessive Claims Put Tax on Honest Farmer

Just a few years ago it was discovered that there is a terrific moral hazard in the hail business and, as in the case of fire insurance, the honest man who derives his livelihood from farming contributes a higher rate than he should be obliged to pay. Some progress has been made toward eliminating the individual who, when money is scarce and crops are poor, mails a hail loss report with the approach of each rain cloud, even though the result be only a gentle and beneficial shower. Moral hazard in the hail business is catching, it seems. In our own state of Nebraska there are neighborhoods where honest toilers of the soil become contaminated with the greedy spirit of getting their hail premium back from the company regardless of what methods are necessary to that end. Contentious claimants have been known to ride through a field on horseback with a buggy whip in an effort to give standing small grain the appearance of having been damaged by hail. Moral hazard in the hail business was at one time scoffed at, but it is food for quite serious thought. It is very interesting to go over list upon list totalling into the hundreds, these lists comprising several hundred farmers in each state, which are almost positive proof that in certain localities farming has been carried on chiefly for the purpose of collecting or attempting to collect under policies of hail insurance.

In this connection I have in mind one county in particular—there are more of them—but in this one county the loss ratio of the companies our office rep-

resents has decreased from over 200 percent for the years 1921 to 1924 inclusive to 40 percent for the three years 1925 to 1927 inclusive. This was accomplished by refusing to write for the farmers who, in the previous years, had shown themselves to be contentious, greedy, hard to settle with, and in some cases, bordering almost upon highway robbery.

It is truly surprising the small number of suits that are brought under hail insurance policies. I think the number is well within the percentage allowed by Mr. Volstead—one-half of 1 percent—and it is an established fact that the square shooting farmer is paying the price. I have felt like a good many others for years and still feel the belief is right that if the farmers, or rather, a part of them, can be educated to eliminate the petty larceny features of hail insurance the rates will be reduced possibly 25 percent to 50 percent. The honest farmer would under those conditions collect every penny due him and the companies would doubtless make as much money in one year as they can now hope to make in five or possibly a greater number of years.

Great Strides Made in Hail Underwriting

For fear that I may have emphasized the feature of moral hazard in the hail business too greatly, let me say that during the past four or five years tremendous strides have been made in hail underwriting from the angle of the physical hazard. Time would not permit, nor am I inclined to bore you with a lot of statistical information, nevertheless, it is a fact that almost every county has certain townships that spoil the loss record for the county, or at least have a tendency to keep the rate up to a point some landowners and farmers call prohibitive. The statistical information available is not yet sufficient to permit the companies to get away from the present day method of applying a flat rate to each county. In a few Nebraska counties two different rates apply, but, looking a little into

the future, it is not improbable that within another decade specific rates will be placed upon each township in each county in each state. It was but a little over a quarter of a century ago in the business of fire insurance that a frame building carried a certain rate, a brick building another—exposures, occupancies, fire protection, area, and degree of damageability were passed over lightly, later rating bureaus were formed, and today we have in the fire business, schedule upon schedule that even the agency office boy must familiarize himself with or his future is not safely regarded.

Separate Rate for Each Township in Future.

Everyone admits there are improvements to be made in the hail business—no one claims the present policy in use is a perfect contract—and, assuming that everyone has the right to at least one guess, mine would be that ten years of statistical information, setting forth the individual experience of each township, would be an equitable solution nearer at hand.

Can you imagine the farmers of the United States during the year 1927 paying premiums aggregating nearly \$17,000,000 for hail insurance and the loss ratio of the companies writing that business reaching the staggering figure of 77 percent? This produced a net loss to those companies of over \$3,250,000. It is generally conceded that company expense, agents' commissions, taxes, loss adjustment expenses, home office and acquisition costs, regardless of what economy is practiced, ranged from 40 percent to 45 percent. In other words, a 55 percent loss ratio is near the breaking point between a possible profit and deficit.

Cooperative Adjustments Cause Improvement

It is pleasing to observe the gradually increasing feeling of friendship in Nebraska towards the cooperative plan of adjusting hail losses since the inception of Nebraska Hail Adjustment Bureau. The experience of our office here in Fremont, and I imagine the same is true with others, is that each year more and more agents favor the cooperative plan of adjusting losses. Under the old plan,

(CONTINUED ON PAGE 11)

Just Five Days Between These Two Pictures

Pictures showing hail damage to crops are hard to get for the reason that grain stalks are too small to show up very well in an engraving. In these two photographs, however, published by Morrison & Co., of Omaha, in their agency paper, the damage can be demonstrated. It happened that a picture had been taken showing two men in the grain field concealed up to their waists by a thrifty crop. After a hail storm struck the field another picture was taken of the same field and what is left of this fine crop scarcely conceals their shoe tops. The two pictures were taken five days apart. The hail storm lasted about five minutes. Nothing but insurance can do the farmer any good. His profit is gone for the year and also all the expense and labor put into the crop. Such conditions offer great discouragement and cause much of the present day farmer's unrestfulness.





Don't delay **Protect**
your growing crops
to-day



AMERICAN EAGLE
FIRE INSURANCE COMPANY
EIGHTY MAIDEN LANE, NEW YORK, N.Y.

ERNEST STURM, Chairman of the Board
PAUL L. WALD, President

NEW YORK

CASH CAPITAL—ONE MILLION DOLLARS

CHICAGO

SAN FRANCISCO

Note

The three-color window poster reproduced herewith is one of many selling helps designed by the American Eagle Fire Insurance Company to aid its agents in making 1927 the biggest hail writing year in the history of their agencies.

HAIL OFFICES

MINNEAPOLIS, MINN.....1106 Plymouth Bldg.
GREAT FALLS, MONT.....11 2nd St., No., Box 1515
OMAHA, NEB.....777 Brandeis Theater Bldg.
TOPEKA, KAN.....502 Mulvane Bldg.
OKLAHOMA CITY, OKLA.....Equity Bldg.
DENVER, COLO.....Gas and Electric Bldg.
CHICAGO, ILL.....Box 771, 844 Rush St.

(CONT'D FROM PRECEDING PAGE)

FIVE YEAR COMPARISON OF HAIL PREMIUMS AND LOSSES OF MUTUAL COMPANIES

	1927			1926			1925			1924			1923		
	Premia.	Losses	Loss Ratio	Premia.	Losses	Loss Ratio	Premia.	Losses	Loss Ratio	Premia.	Losses	Loss Ratio	Premia.	Losses	Loss Ratio
Austin Mutual, Minn.	\$ 161,895	\$ 53,999	.33	\$ 143,999	\$ 30,915	.21				\$ 14,141	\$ 9,992	.70	\$ 35,949	\$ 34,519	.96
Capital, Nebr.	11,190	6,257	.56	6,954	1,770	.26	\$ 10,433	\$ 3,049	.29						
Central Mutual H. & C. Wis.	3,094	199	.07	2,782	525	.19									
Citizens Fund Mutual, Minn.	79,756	152,893		601	72	.11									
Conn. Valley Mutual Hail.	17,993	4,566	.25	8,862	652	.07	36,396	30,309	.83	100,989	29,119	.29	71,481	19,648	.27
Des Moines Mutual	112,629	69,348	.61	107,209	35,545	.33									
Farmers' Coop., Nebr.	78,134	64,011	.82	53,567	38,903					35,854	18,977	.53	36,168	51,815	1.41
Farmers Hail, Kans.	1,199,954	717,652	.60	997,183	333,713	.34	1,437,440	974,141	.67				924,536	350,987	.38
Farm. St. Mutual Hail, Ia.	74,431														
Farm. Union Coop., Nebr.	57,902	58,760		350	48	.13									
Farm Union Mutual Hail, Kans.	105,727	46,838	.43	41,371	29,655	.72	39,960	24,981	.63				118,632	151,340	1.27
Groom. Mutual Hail, Tex.	58,460	13,088	.22	91,318	23,152	.25									
Harv. Hort. Mutual, Ia.	179,233	86,235	.48												
Hawkeye Mutual Hail.	447	37	.08	182											
Illinois Mutual Fire Und.				13,179	1,096	.08									
Iowa Imp. Mutual.	1,001	21		717											
Michigan Millers Mutual.	58,041	65,561													
McPherson Hail, Kans.	56,511	33,876	.60	6,734	9,775	1.45				58,058	44,268	.71	42,823	32,180	.75
Mid-West Mutual, Ia.	108,049	82,250	.76												
Millers Mutual, Ill.	1,131	398	.35	245	61	.25									
Millers' Mutual, Pa.				4,896	14										
Minn. Farmers Mutual.	129,466	53,524	.41												
Ranchers Hail, Mont.										14,378	3,134	.22	5,201	2,238	.43
Southern Mutual, Tex.							155	13		106,649	33,179	.31	81,714	25,662	.31
Square Deal Mutual Hail, Ia.	203,051	151,924	.75												
Standard Mutual, Ia.										17,391	8,192	.47	15,684	4,878	.31
State Farmers Mutual, Minn.										141,073	255,863		479,266	276,911	.58
Union, Nebr.	89,192	25,399	.28	67,444	20,203	.30	65,504	28,221	.43	43,115	32,414	.75	46,993	25,253	.54
Total	\$2,709,307	\$1,655,736		\$1,502,465	\$ 509,359	.32	\$1,663,462	\$1,092,890	.66	\$ 579,606	\$ 444,532	.77	\$1,802,708	\$ 995,642	.55

FIVE YEAR COMPARISON OF PREMIUMS AND LOSSES OF STATE HAIL FUNDS

	1927			1926			1925			1924			1923		
	Premia.	Losses	Loss Ratio	Premia.	Losses	Loss Ratio	Premia.	Losses	Loss Ratio	Premia.	Losses	Loss Ratio	Premia.	Losses	Loss Ratio
Nebraska (a)	\$67,332	\$61,676		\$ 27,004	\$ 14,233	.53	\$ 28,656	\$ 25,328	.88	\$ 73,586	\$ 137,114	1.87	\$ 82,762	\$ 83,211	1.01
North Dakota		3,315,917		2,015,501	1,707,482	.85	1,668,370	1,367,293	.81	1,827,410	1,559,816	.85	3,949,836	3,732,400	.95
South Dakota				617,980	416,414	.67	644,779	561,471	.87	2,317,626	2,367,589	1.02	1,156,655	1,367,966	1.19
Total				\$2,600,485	\$2,138,229	.80	\$2,341,805	\$1,954,592	.83	\$4,218,622	\$4,064,519	.96	\$5,189,253	\$5,183,577	.99

(a) Paid 85 percent in 1927.

*Taxes are levied to cover losses.

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1799



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Policy Holders Surplus \$13,746,553.05

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F. R. BIGELOW, President

LOWER RATE AND EASIER SELLING

(CONTINUED FROM PAGE 7)

bidding for business through independent adjustments would redound in some cases to the temporary benefit of the agent or companies, but just as sure as green apples produce stomach aches in little boys the competing agent and company whose loss adjustments were overpaid by a competitor the preceding season would retaliate the following year with the result that the farmer benefited temporarily only, as the next year or two he found his rate for hail insurance had been increased. The more activity in overpayment of losses, the more activity on the part of the policyholders to play one company or agency against the other, and the only possible consequence resulted—higher rates to every farmer. Rates can only be lowered by retracing the steps taken, not by the farmers, not especially by the agents, but principally by the companies themselves.

At this point permit me to say there are other sides to the hail business than that of the company side. Hail insurance adjusters are not, to use the old expression, "born, and not made." Many a so-called adjuster of hail losses for mutual and stock companies has, through his eagerness to put over a clever adjustment, torn to pieces the reputation of an honest agent's office. Trustworthy adjusters for hail companies can do a great deal toward correcting the evils of the business, and, on the other hand, I cannot imagine a blacker eye to the business of insurance in general than that caused by fooling a farmer out of a few paltry dollars in the settlement of a hail loss. I think all of you gentlemen agree that matters of rate, commission, policy conditions or anything else fade into the background. A competent adjuster, a man who understands crops and truly understands the adjustment of hail losses and, combined with that, a man who possesses the virtue of honesty and a considerable degree of diplomacy, is, following a hailstorm, indeed, a friend in need.

Legitimate Claimants Express Approval

Thanks to the efforts of Manager Lundmark of the Nebraska Hail Adjustment Bureau and his predecessor, Ed. Beach, there has been a wonderful change brought about in the caliber and class of adjusters used. The improvement is more than passingly noticeable. The legitimate and honest claimants are expressing their approval, agents likewise, and although the storms in Nebraska the past few years have been numerous and, in many instances, severe, loss ratios in many sections of Nebraska are on the decline. An honest effort is being made to pay every honest claim in full. Where a mistake has been made an honest attempt to remedy the mistake is offered. Adjusters are receiving cooperation from assureds, companies and agents, and by applying the old time adage, "Ye shall profit by experience and by experience only," the time is bound to come when hail insurance will be regarded as a form of protection that is entitled to the same serious consideration that other classes of insurance enjoy.

The success of the business of hail insurance rests upon the same fundamental pillars as the assumption of other hazards. Spread of liability, the same care in the placing of reinsurance to avoid congestion, proper rating methods, painstaking adjustments, will play their part in the hail business as they do in the fire or tornado business at the present time.

The business of hail insurance is an interesting study. Its field is broad. It is in its infancy, so to speak, but hail insurance has already won its place as a necessity rather than a luxury and each year improvements are hoped for. Company managers, field men, general agents, and local agents, are giving more and more study to the subject.

Hail Business Is Improving Through Better Understanding

By JOHN PETERSON

Manager Hail Department, Great American

This is the third year in which the Hail Advisory Committee has sponsored regional meetings. It is agreed by the committee and executives generally that the large attendance and close consideration given problems presented by all attending and interested shows an earnest desire to improve the business and put it on an equitable basis.

Our difficulties heretofore have been due largely to a misunderstanding of the contract conditions and lack of explanation of the policy to the agent with consequent inability of the agents to explain clearly the policy to the assured. This misunderstanding of the policy means that when a loss occurs, closing on the

proper basis—fair to both sides—was difficult as a matter of course.

We are now not only inviting field men and adjusters to the meetings but agents as well and find this very effective and instructive, as all interested parties have an opportunity at these meetings to present their individual problems for consideration and discussion. In many cases agents have made the statement that had they understood the hail contract from the beginning in the way it was explained at these meetings there would have been no difficulties, at any time, in their agencies.

From facts ascertained we feel that 1927 had more severe hail storms than

any year in the history of the hail business and while the companies took a substantial loss, we feel that the adjustments were handled more in conformity with the merits of each case than in any previous year.

Of course, moral hazard still exists in the hail business and probably will continue but where it can be shown to the better agents and better assureds that the resulting added expense is promulgated in the rate, it has always brought us their help in cleaning out this class of applicant. Personally, I think that at the present time a large percentage of the moral hazard is directly attributed to a few irresponsible agents whose elimination is only a matter of time and is not so much chargeable to the assured as in days past. Education or elimination of such agents is the only real remedy.

We find in our work a great many cases where insurance was taken after a hail storm without notice to the company of previous damage. This may be done with honest intent on the part of the assured, as his intentions may be that he means to protect the balance of his crop, but more often it is done with the intent to defraud, and in that case there is invariably reported a loss at a later date in an attempt to collect for the damage done prior to the date of application rather than for the small damage done after the insurance was written.

Conditions of this kind must cease and our adjusters must be sufficiently keen to detect them. With this in mind, with proper adjustments and the moral hazards, irregularities and inequities eliminated we believe hail insurance can be written in any locality in the United States at a reasonable rate and fair profit to the company.

Taking More Time For Adjustments

However, there is one serious drawback at the present time in that we do not have enough trained men to handle the tremendous volume of business offered us at the present time and I believe we should make more of an effort to train new men and prepare them for the intelligent handling of this class of business. Instead of our adjusters taking care of ten and twelve losses a day, which they did in the past, they are now down to not to exceed four losses per day, due to the fact that they are taking sufficient time to examine the entire field. We find that the roadside adjuster, at one time, did not examine the crop and this neglect created distrust and suspicion in the minds of the assured regardless of the usually excessive amounts paid on the loss. We do, however, find the assured is more satisfied and better pleased when the adjuster examines the entire field and gets down on the ground and counts out the damage and shows the assured where the damage does or does not exist.

A hail loss can be adjusted on actual conditions and it must be done if we intend to continue furnishing this class of protection. We have often heard the remark that a hail loss is guess work or horse trade. Such remarks are quite applicable to the roadside adjusters, the lazy or inefficient, but unfair entirely to the conscientious worker and to the business as a whole. There is a correct method of determining a hail loss and we feel that now nearly every regular adjuster has been taught to use such means. Those that are not doing so will not be in the employ of our companies for any great length of time.

Need Specialists on Various Crops

We do find, however, that there are very few, if any, men that are fully posted on all crops. Therefore, we must specialize and ascertain each adjuster's knowledge of a particular crop before permitting him to take up the loss.

Take for example corn. It calls for expert knowledge to separate damage peculiar to that crop due to causes other

(CONTINUED ON PAGE 10)

Hail General Agencies for 1928

J. G. BAILEY, McPherson, Kans.

General Agent, Midwest Fire Underwriters (Kans. and Okla.); General Agent, Twin City (Kan. and Okla.)

BAKER INSURANCE AGENCY, Fargo, N. D.

General Agent, St. Paul F. & M. (Southern N. Dak.); General Agent, United American Underwriters (N. Dak.)

EDWARD BROWN & SONS, San Francisco, Cal.

General Agent, Globe & Rutgers; General Agent, Globe Underwriters. (Hail Dept. in charge of Dan L. Weaver, special agent, Spokane, Wash.)

H. G. CARPENTER & CO., Fargo, N. D.

General Agent, Niagara (N. D., Montana and northwestern Minn.)

COBB, MILLER & STEBBINS, Denver, Colo.

General Agent, Michigan F. & M. (Colo.)

PAUL COLSON INSURANCE AGENCY, Fremont, Neb.

Hail Managers, New England Fire (Neb.); Hudson Underwriters (Neb.)

COSGRIFF & VON SIEN, INC., Fargo, N. D.

General Agent, Twin City and Hudson (N. D.)

CRAVENS, DARGAN & CO., Houston, Tex.

General Agent, St. Paul F. & M. (Tex.); General Agent, Camden (Tex.), Potomac (Tex.)

JOHN E. DAWSON, Great Falls, Mont.

General Agent, Northwestern F. & M. (Mont.); General Agent, Federal (Mont.)

ELLIS & HOLLAND, Des Moines, Ia.

General Agent, Northwestern F. & M. (Ia.); General Agent, Federal (Ia.)

HARTFORD GENERAL AGENCY CO., Hartford, Conn.

General Agent, Federal (Conn.) (Ellis & Holland Co., General Agent, Des Moines, Ia.); K. T. Martin, General Agent, Ft. Worth, Tex.; John E. Dawson, General Agent, Great Falls, Mont.)

Z. A. HAZARD, Sioux Falls, S. D.

Manager Hail Dept., National Union (S. D. and Minn.)

THE HEDWALL-SUNDBERG COMPANY, Minneapolis, Minn.

Managers, Westchester, Providence Washington, Hudson and Hudson Underwriters. (Branch Offices: Topeka, Kan., F. E. Miller, Supt.; Kearney, Neb., A. Fallgatter, Supt.; Denver, Colo., C. R. Daggett, Supt.)

K. T. MARTIN, Ft. Worth, Tex.

General Agent, Northwestern F. & M. (Tex.); General Agent, Twin City (Tex.); General Agent, Federal (Tex.)

C. C. McKNIGHT, Enid, Okla.

General Agent, Carolina (Okla.)

MICHAELSON & HUGHES CO., Ladysmith, Wis.

General Agents Twin City (Wis.)

MILLER-STUDEBAKER AGENCY, Topeka, Kans.

General Agent, City of New York (Kans.)

MILLIGAN BROTHERS, Aberdeen, S. D.

General Agent, St. Paul F. & M. (S. D.)

MORRISON & CO., Omaha, Neb.

General Agent, Globe & Rutgers and Globe Underwriters (Kans., Neb., Colo., S. D., Ia., Wyo.)

NELSON-COOPER, Grand Forks, N. Dak.

General Agent, Mass. F. & M. (N. D.)

E. E. OLINGER & CO., Oklahoma City, Okla.

General Agent, National Security, (Okla.)

W. J. OTGEN, Enid, Okla.

General Agent, Niagara (Kans., Okla., Tex., Mo., N. Mex.); General Agent, Security (Tex.)

REINHARDT, WEST & CO., Dallas, Tex.

General Agent, Providence Washington and Providence Underwriters (Tex.)

REYNOLDS BROS., Fremont, Neb.

General Agent, Niagara (Neb.); General Agent, Providence Washington (Neb.)

THE SHAW GENERAL AGENCY, McPherson, Kans.

General Agent, Security (Kans.); General Agent, New Haven Underwriters (Okla.); General Agent, Rockford Underwriter (Kans.)

VAN ARSDALE OSBORNE BROKER- AGE CO., Wichita, Kans.

General Agent, St. Paul F. & M. (Kans. and Okla.); W. S. Gibbons, s/a.

H. A. WELD COMPANY, Billings, Mont.

General Agent, Twin City (Mont.); General Agent, Midwest Fire Underwriters (Mont.)

W. L. WILDER GENERAL AGENCY, Grand Forks, N. D.

General Agent, St. Paul F. & M. (Northern N. D.)

J. PIERCE WOLFE, Moorhead, Minn.

General Agent, Security (Minn., N. D., S. D.); General Agent, New Haven Underwriters (Minn., N. D., S. D.); General Agent, Rockford Underwriters (Minn., N. D., S. D.)

J. F. ZIMMER, Lincoln, Neb.

General Agent, Security (Neb.)

E. M. ZUELL & CO., Mankato, Minn.

General Agent, United American Underwriters (Minn.)



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Topeka, Kansas

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W. H. DEVENDORF, Engineering Dept.

Canadian Hail Loss Ratio Soars High Again in 1927

ALBERTA was again the black spot on the Canadian hail map in 1927. It reported a loss ratio of 159 percent. The loss ratio for the three provinces last year was 68 percent, the highest it has been since 1923 when the figure was 93 percent. The premium income on hail insurance in Canada in 1927 made a notable increase of \$1,817,533 over the 1926 figure, the new total being \$6,620,537. Manitoba only increased its premium volume slightly but it maintained a low loss ratio of 36 percent. Saskatchewan increased its premium income to \$859,687 over that in 1926. At the same time it reduced its loss ratio from 74 percent to 69 percent. Alberta increased its premiums \$953,900 over those for the preceding year. The premium income in this province for 1927 was the highest reported in the last five years, being \$1,520,767 over the high mark of 1923. The premiums and losses in 1927 in Canada of the companies in the three provinces are as follows:

Stock Company Results in the Three Canadian Hail Provinces During the Past Four Years

	1927		1926		1925		1924
	Prem. Losses		Prem. Losses		Prem. Losses		Prem. Losses
	%	%	%	%	%	%	%
Manitoba	\$ 470,953 36	\$ 467,007 30	\$ 424,572 31	\$ 279,630 23			
Saskatchewan..	3,563,495 69	2,703,808 74	2,890,067 33	1,874,859 42			
Alberta	2,586,089 159	1,632,189 64	1,703,087 53	1,144,137 61			
Total	\$6,620,537 88	\$4,803,004 66	\$5,017,776 39	\$3,298,626 48			

Synopsis of Premiums and Losses as Filed by Members of the Canadian Hail Underwriters' Association in 1927

	Manitoba		Saskatchewan		Alberta	
Member	Premiums	Losses	Premiums	Losses	Premiums	Losses
Acadia Fire	3,488	257	41,415	34,381	23,251	44,575
Aetna	686	89	47,391	39,856	53,192	98,575
Agricultural			15,481	11,648		
Alliance Assur.	11,654	3,056	110,018	64,384	19,455	38,477
Alliance Ins.			13,084	7,843	9,125	5,643
Bee Hail	13,096	4,417	54,935	41,082	38,125	78,491
British Crown	2,065	1,106	61,196	36,281	68,212	101,875
British Traders	4,274	770	45,481	32,172	20,007	36,705
Canadian Indem.	23,960	8,921	132,742	88,439	141,771	280,240
Canada Security	8,254	1,676	30,528	24,684	21,971	36,828
Car & General	27,548	9,255	47,876	31,912	150,895	242,082
Citizens	2,500	604	82,803	44,575	24,325	18,890
Connecticut Fire	25,758	15,092	183,674	115,670	79,365	180,088
Eagle, Star & Br.	14,577	2,764	58,274	34,708	68,296	119,660
Employers' Liab.	10,331	2,294	133,017	83,711	194,278	325,944
Equitable F. & M.	8,982	291	15,709	17,085	35,832	23,311
Farmers' F. & Hail.			27,874	13,759	62,685	91,810
Federal Ins.	5,033	3,401	235,283	180,288	8,193	16,715
Franklin Fire	6,457	2,723	26,202	37,356	37,186	61,578
General Acc.	2,048	1,359	86,933	58,568	61,447	120,036
General Acc. F. & L.	16,792	15,535	174,071	116,793	32,492	58,380
Glens Falls	39,688	16,352	106,627	62,243	99,480	155,994
Great American	5,436	614	34,504	18,180	16,047	28,650
Hartford Fire	18,352	8,957	197,387	153,346	66,120	120,115
Home	14,989	11,617	127,245	76,773	178,049	294,777
Ins. Co. of N. A.	6,229	2,292	77,679	47,638	47,507	49,764
London-Canada	2,482	1,640	13,471	11,628	70,240	110,072
London Guar. & Acc.	1,970	454	49,950	40,141	41,971	37,831
London & Scottish.	19,927	7,423	67,407	32,808	18,641	17,697
Maryland			1,858	617	21,235	5,463
Merchants F. Assur.			123,508	95,722	32,529	39,950
National Provincial	3,084	50	36,322	31,987	152,229	261,924
New York Under.	48,496	13,543	110,018	72,070	27,763	52,234
Niagara Fire	636	219	48,612	50,439	13,125	15,487
Nova Scotia F. Under.	3,000	553	21,807	25,253	29,403	55,265
Occidental F.	7,524	1,303	117,188	87,878	1,130	398
Phoenix Assurance	13,094	3,255	39,206	27,904	29,404	31,324
Phoenix, Hartford	9,255	2,552	89,961	40,110	24,346	32,553
Rochester Under.			27,093	15,168	61,446	72,512
Royal Exchange	927	458	78,411	76,964	31,047	36,107
Scottish Canadian	5,141	2,375	37,404	26,302	49,596	74,537
Security of N. H.			46,287	29,041	44,079	89,962
Sentinel Ins.			81,310	59,262	43,715	64,654
Springfield F. & M.	2,370		76,959	27,891	15,387	6,739
St. Paul F. & M.	52		76,282	36,986	30,363	57,408
Union of Canton.	16,704	4,332	45,255	31,959	60,521	75,408
United Assur. Under.	15,008	2,395	183,100	129,022	107,418	169,060
Westchester	39,831	14,458	27,891	30,464	86,767	117,364
Western Under.	2,968	2,029	20,376	9,467	13,731	19,705
Winnipeg F. Under.	3,507	628	15,410	14,867	17,551	23,689
World					14,746	10,114
Totals	\$470,953 36.16%	\$170,329	\$3,563,495 68.78%	\$2,451,251	\$2,586,089 158.73%	\$4,104,911



Ruins of a brick school building in Poplar Bluff, Mo., after the September tornado. There were several school buildings ruined in St. Louis by the same storm.



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should take no chance**



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FIRE INSURANCE COMPANY
EIGHTY MAIDEN LANE NEW YORK, N.Y.**



ERNEST STURM, Chairman of the Board
PAUL L. HAID, President

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Minnesota	—Thos. G. Linnell, State Agt., 910 New York Life Bldg., Minneapolis, Minn.
Minnesota	—E. M. Zuel & Company, Gen. Agts., Nat'l Citizens Bank Bldg., Mankato, Minn.
Montana	—H. A. Weld Company, Gen. Agts., 225 Fratt Bldg., Billings, Montana.
Nebraska	—E. H. Wylie, 320 Bankers Reserve Life Bldg., Omaha, Neb.
No. Dakota	—Cosgriff & Von Sien, Inc., Gen. Agts., 118 Broadway, Fargo, North Dakota.
No. Dakota	—Walter H. Masek, Special Agt., Box 363, Fargo, North Dakota.
Oklahoma	—J. G. Bailey, Gen. Agt., 202 Allison Bldg., McPherson, Kansas.
So. Dakota	—Walter H. Masek, State Agent, Box 363, Fargo, North Dakota.
Texas	—K. T. Martin & Company, Gen. Agts., First Nat'l Bank Bldg., Fort Worth, Tex.

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Property Subject to Hail Damage

"UNLESS liability therefor is assumed by specific endorsement hereon, this company shall not be liable for any loss or damage caused by hail, whether driven by wind or not," is the precise phrase in the standard windstorm policy which should be for every agent the lead to good accounts of additional business developed through sale of the hail extension on all windstorm policies. Life insurance salesmen constantly use in their sales talks the phrase "complete protection." The phrase is equally as applicable in the fire field, for no assured who buys fire and windstorm coverage is completely protected until he is protected against hail damage.

Hail coverage costs little, but hail can do great damage. No agent who operates in urban communities is correct in thinking his assureds are not interested in hail coverage, for hail is no respecter of communities, and can do as much damage to the roof of a city structure as to a structure on a farm.

Much Property Subject To Hail Damage

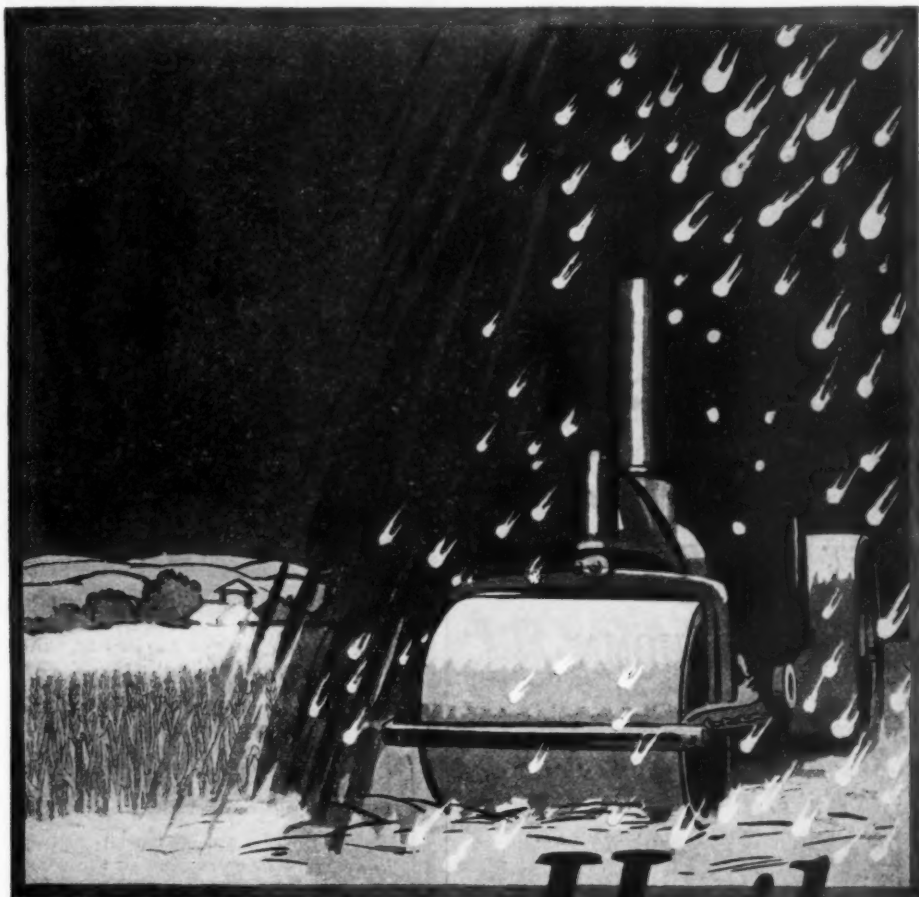
Among the parts of properties that are liable to hail damage are the roofs and sides of all frame houses, barns, garages and similar structures; the roofs of all brick structures, even though these be of composition, slate or tile; the sides and roofs of sun porches, conservatories and the roofs of almost all and the sides of many industrial structures. Thousands of instances of almost complete destruction of these parts of many kinds of structures are on record, and thousands more will be added this year and every year. These values need protection, but the assured will not know when he has protection and when he has not unless the agent tells him.

An outstanding company whose agents have been trained to sell as much windstorm as fire coverage to all assureds reports that on more than 80 percent of its policies issued in the last three years the hail rider has been added. One representative of this company tells the following story of how one of the company's agents was almost driven from business by his clients following a severe hailstorm in his community in Missouri:

Agent Received Severe Lesson

The agent, when he first undertook to represent the company, sold a good amount of fire business but little windstorm coverage. After some educational sessions with a representative of the company the agent came to believe that equal amounts of windstorm coverage could be sold, and proceeded to sell it. But he would go no farther. He would not try to sell hail coverage with windstorm. After a few pleasant summer seasons a violent windstorm struck his community and was followed by a long and heavy bombardment of hail. Roofs were wrecked and siding was ripped off, houses, garages, stores, barns and factories suffering. In almost every instance the sufferers made claims under their windstorm policies, but the agent was forced to read to them the "whether driven by wind or not" clause and say "No" to the claims. It developed, then, that to none of his assureds had the agent tried to sell the hail rider. The result was a townful of dissatisfied customers, almost all of whom transferred their business elsewhere. The agent now sells the hail rider on almost all his business.

Other representatives of other companies tell variants of this story from time to time, and always it develops that the agent has been lax in following advice and instruction given by his companies. The cost of hail coverage is so low that no assured can afford to have it, and no agent can afford to chance the good will of his clients.



Hail- like a steam roller may flatten your crops

Buy HAIL Insurance!



**FIRST AMERICAN
FIRE INSURANCE COMPANY**

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EREST BURN, Chairman of the Board
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if it displays the three-color window poster reproduced herewith will attract the prospect for Hail Insurance to your office where a First American policy is available to give him the soundest of protection against hailstorm damage.

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TOPEKA, KAN.....502 Mulvane Bldg.
OKLAHOMA CITY, OKLA.....Equity Bldg.
DENVER, COLO.....Gas and Electric Bldg.
CHICAGO, ILL.....Box 771, 844 Rush St.

J. G. BAILEY

GENERAL HAIL AGENT

McPherson, Kansas

TWIN CITY FIRE INSURANCE CO.

MIDDLE WEST UNDERWRITERS

KANSAS AND OKLAHOMA

*All Losses Reported To and Paid
By Us*

Policies Written and Returned the Same
Day Application is Received

Agencies Solicited

Widespread Menace of Hail Damage

(CONTINUED FROM PAGE 5)

destroyed crops completely. On Aug. 11 hail that fell in Colfax, Dodge, and Saunders counties, Neb., damaged crops, roofs, and automobiles to the extent of \$105,000. Another Nebraska hail storm on the 16th of the same month caused a loss of \$200,000 in Banner, Kimball, and Cheyenne counties and still another five days later caused a \$125,000

stable the weather conditions the more likely it is the icy bombardment from the skies will start but no man knows in advance whose crops will suffer from it. Past experience in Europe has shown the futility of attempting to prevent hail storms by hail rods, heavy explosions, or any other means suggested by the ingenuity of man. Loss



Hail Fall Like This Would Destroy Any Crop

loss over an area of 500 square miles in Webster, Nuckolls, Clay, Fillmore, and Merrick counties.

In the East, Connecticut reported a loss of \$365,000, largely to the tobacco crop, from a hail and electrical storm on Aug. 5, 1927 and eight days later the tobacco crop in another section of the state suffered a hail loss of almost \$100,000.

Hail, weather bureau officials believe, is a hazard in every part of the country that has thunderstorms and this takes in practically all of it except some Pacific Coast territory. Statistics compiled at 200 weather bureau stations over a period of 10 years show that for any given locality hail occurs on an average of two to three times yearly from western Pennsylvania to the Mississippi river and three or four times a year from the Mississippi to the Rockies. In many parts of the plains states, lying just east of the Rockies, hail occurs on an average of four times a year for any given locality. At Cheyenne, Wyo., hail fell on an average of nine times a year over a 10-year period.

It is impossible to predict just when or where hail will fall. The more un-

of a crop often means the loss of the greater part of a year's work on the part of a farmer and the only protection he has from the hail risk remains adequate hail insurance.

HAIL BUSINESS IS IMPROVING

(CONTINUED FROM PAGE 11)

than hail. Unless adjusters are qualified to reject claims for damage due to causes outside the scope of the hail contract, it will be impossible to promulgate a rate fair to both parties to the contract.

However, all available means are being used to insure a satisfactory method of fixing the liability under the hail coverage and it is hoped that with better understanding a satisfactory solution of the various problems will be forthcoming.

There are several districts in which it seems to be impossible to write hail business with any degree of satisfaction and this is not altogether due to the hail hazard. It is hoped that in the near future these conditions will be ironed out through continued education and improved cooperation.

HAIL INSURANCE

QUEEN CITY FIRE INS. CO.

D. P. LEMEN, Secretary-Manager

SIOUX FALLS

SOUTH DAKOTA

TWENTY-THREE YEARS UNEXCELLED SERVICE

Details of Hail Loss Adjustments

What an Adjuster Should Know and Do in Order to Make Fair Settlement and Leave the Assured Satisfied

By Z. A. HAZARD

Manager Hail Department, National Union Fire

THE year 1927 was the worst hail year in the history of the business, taking into consideration the severity of the storms, yet the loss cost or ratio of loss to risk was for all companies only 4.96 percent, or six one-hundredths of one per cent higher than the 13 year average, which is 4.90 percent, and while the business, as a whole, shows a loss in 1927, the improvement in underwriting and loss adjustments is clearly demonstrated.

This improvement is due, in large measure, to the cooperation of a large majority of the local agents in aiding the companies through the adjusters to properly adjust losses, as well as to the adjusters who have exerted their utmost efforts to this end.

For an adjuster to properly and accurately adjust a hail loss, he must

know the policy contract and know the crop he is adjusting, and he must be a diplomat or salesman. Furthermore, he must apply his knowledge and science.

An adjuster must adjust many different kinds of crops at different stages of growth, but the same method at all stages of growth cannot be used. An adjuster is confronted with the problem of adjusting a hail loss on crops that have been damaged by causes other than hail, or that are of less value than the amount of insurance carried; in fact, some difficult problem is frequently present.

We will discuss some of these problems and emphasize certain duties that

an adjuster is required to perform, having in mind a further improvement in loss adjustment.

There are three separate and distinct steps in the adjustment of a hail loss:

1. Securing necessary information.
2. Determining the percentage of loss.
3. Determining the amount due in dollars.

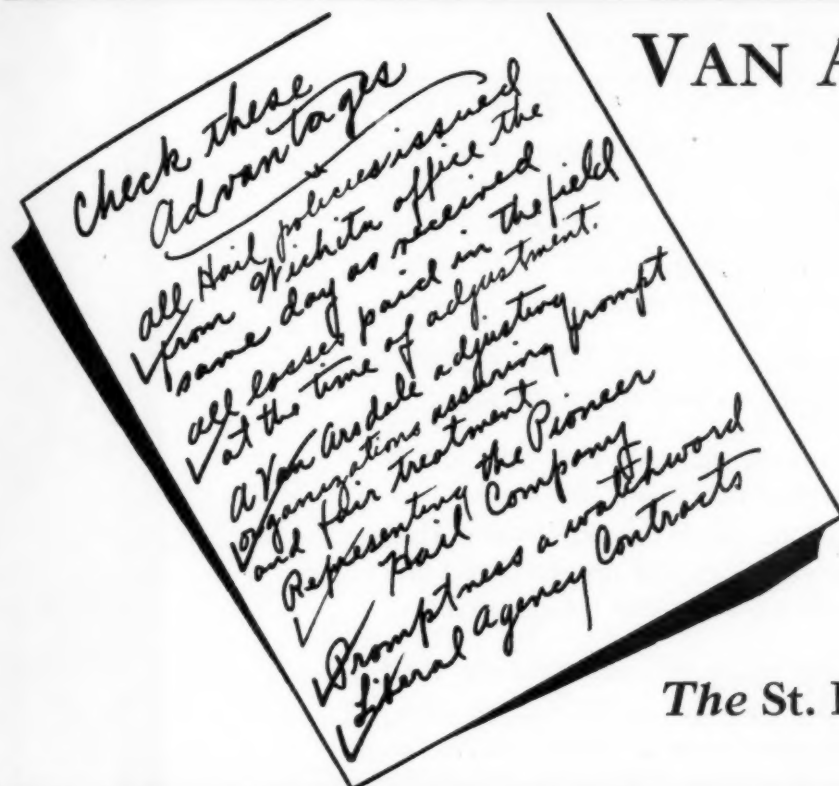
Preparatory to going on a loss it is essential that adjusters carefully check the loss papers to compare signature on application with signature on notice of loss, to ascertain if claimant states he has other insurance, and to compare lo-

cation of crops and acreage given in the application with location and acreage of crops on which loss is claimed. If a discrepancy is found he is put on his guard and it is advisable to take a non-waiver agreement before going into the field.

After arriving at claimant's farm and introducing one's self, the first thing to do is to use the "yes sheet." We all know that the "yes sheet" is the individual loss report. "Yes sheet" is a very appropriate name, considering the frequency with which the word "yes" is used.

The individual loss report is simply a guide furnished to the adjuster to enable him to know what information must be obtained before he can ascertain that there is loss for which the com-

(CONTINUED ON PAGE 20)



VAN ARSDALE & OSBORNE
ORGANIZED 1897

Specialists in Hail Insurance

Wichita, Kansas

General Agents

KANSAS & OKLAHOMA—HAIL DEPARTMENT

The St. Paul Fire & Marine Insurance Co.

The Pioneer in Hail Insurance

**IN THESE DAYS OF
COMBINATION AND AMALGAMATION**

a few of the progressive and far-seeing
companies ARE DECENTRALIZING

and placing Home Office Service at your very door as typified by

KANSAS UNDERWRITERS

General and State Agents, Wichita, Kansas

SIX HUNDRED PROGRESSIVE AGENTS INVITE YOU

KANSAS

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Like Houses of Cards


If ever any insurance ought to be written in strong stock companies it is Tornado Insurance for Tornado Insurance is insurance against catastrophe.

Tearing its way through the countryside the Tornado or Windstorm recognizes no territorial distinctions. It may swerve into a great city like St. Louis or community like Lorain, Ohio. Like houses of cards everything goes before it.

Ability of his companies to pay Tornado losses promptly is a tremendous asset to an agent.

Representation of a company in the Corroon & Reynolds fleet assures the agent of sound progressive representation. It is his assurance that the good will he has built up will not go down like a house of cards with a tornado or windstorm.

It will be worth your while to communicate with Corroon & Reynolds, Inc., for complete information on agency representation in your territory.



CORROON & REYNOLDS

New York

CORROON & REYNOLDS, Inc.

MANAGER

92 WILLIAM STREET
NEW YORK CITY, N. Y.**AMERICAN EQUITABLE ASSURANCE CO., OF NEW YORK**

December 31, 1927, Statement

ASSETS	CAPITAL	SURPLUS TO POLICYHOLDERS
\$6,000,569.04	\$1,000,000.00	\$2,405,564.51

KNICKERBOCKER INSURANCE CO., OF NEW YORK

December 31, 1927, Statement

\$4,105,633.66	\$1,000,000.00	\$1,926,422.54
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BROOKLYN FIRE INSURANCE CO.

January 1, 1928, Statement

\$2,992,512.73	\$600,000.00	\$1,600,000.00
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MERCHANTS AND MANUFACTURERS FIRE INSURANCE CO.

(CHARTERED 1849)

January 1, 1928, Statement

\$3,094,318.44	\$500,000.00	\$1,500,000.00
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NEW YORK FIRE INSURANCE CO.

(INCORPORATED 1832)

December 31, 1927, Statement

\$1,190,662.31	\$200,000.00	\$704,779.61
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REPUBLIC FIRE INSURANCE CO.

PITTSBURGH, PA.

(ORGANIZED 1871)

December 31, 1927, Statement

\$1,681,927.72	\$300,000.00	\$547,931.38
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MANAGER FOR EASTERN STATES

TRINITY FIRE INSURANCE CO. OF DALLAS, TEXAS

Dec. 31, 1927, Statement

\$1,725,140.58	\$750,000.00	\$1,479,436.50
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REYNOLDS~INC.
New York City

(CONTINUED FROM PAGE 17)

pany is liable, and which he should adjust. Furthermore, during the time he is securing this information he is becoming acquainted with the claimant, and the impression made at that time will have considerable bearing on the claimant's confidence in him.

It must be ascertained that the policy was in force at the time loss occurred. To be in force at the time loss occurred the application must have been signed by the insured and the agent at least 24 hours prior to date of loss, and the crops must have attained a stage of growth where liability under the policy has attached.

Whether or not he refused to proceed further with the adjustment in case he finds evidence of a previous hail loss, will, of course, depend upon when that loss occurred and upon the instructions furnished by his company but, in any event, if he proceeds with the adjustment he must be sure that he does not include damage caused by a previous storm, if that storm occurred before the insurance was in force.

An adjuster must be certain, that:

He is in the field described in the policy;

The description of crops is correct;

The insured's interest and ownership is as stated in the policy;

He is dealing with the insured or his legally constituted attorney;

The number of acres insured is as stated in the policy.

The correct acreage is not ordinarily difficult to obtain; still it is information that is frequently overlooked. When an adjuster is asked if he actually knows that the acreage insured is the correct acreage he invariably answers, "I sized it up and I can estimate acreage in a field very accurately." If the question is pressed and he is asked, "Do you actually know?" he is apt to reply by asking the question, "Do you expect me to measure each field?"

In the old days before many stock companies were writing hail insurance mutual companies wrote what is termed a blanket policy. The description of the land, on which the crops to be insured was located, was given but the acreage or even the kind of crop was not listed. It was up to the adjuster to get the information and he got it.

To secure the information he said something like this: "Before we go out in the field I wish to obtain certain information so that when we have determined your loss all that remains to be

done is to make out the papers." "Let's see, this is the S. W. 1/4 of Sec. 27, Twp. 104, Rg. 40. How many acres of pasture have you? How many acres of corn? How many acres of oats? How many acres in building lot, apple orchard, etc.?"

When the adjuster secured all the information he wanted about acreage, sprinkled in with conversation, he added up the acreage. If it totaled to approximately 160 acres he could feel reasonably sure that the correct acreage of each kind of crop was given, but he would still "size up" each field. If the acreage totaled to a larger or smaller number of acres, by proper questioning the reason for the discrepancy could be ascertained and he would then be in a position to take the necessary action to determine the correct acreage.

Care Necessary When Part of Acreage Cut

Say that a 100 acre field is insured, a part of it is cut, loss occurs. The claimant invariably reports a loss on 10, 20, 30, 40, 50, 60, etc., acres and too frequently the proof is filled out for the exact number of acres reported on.

Just draw your own conclusion as to the probability of the acreage being

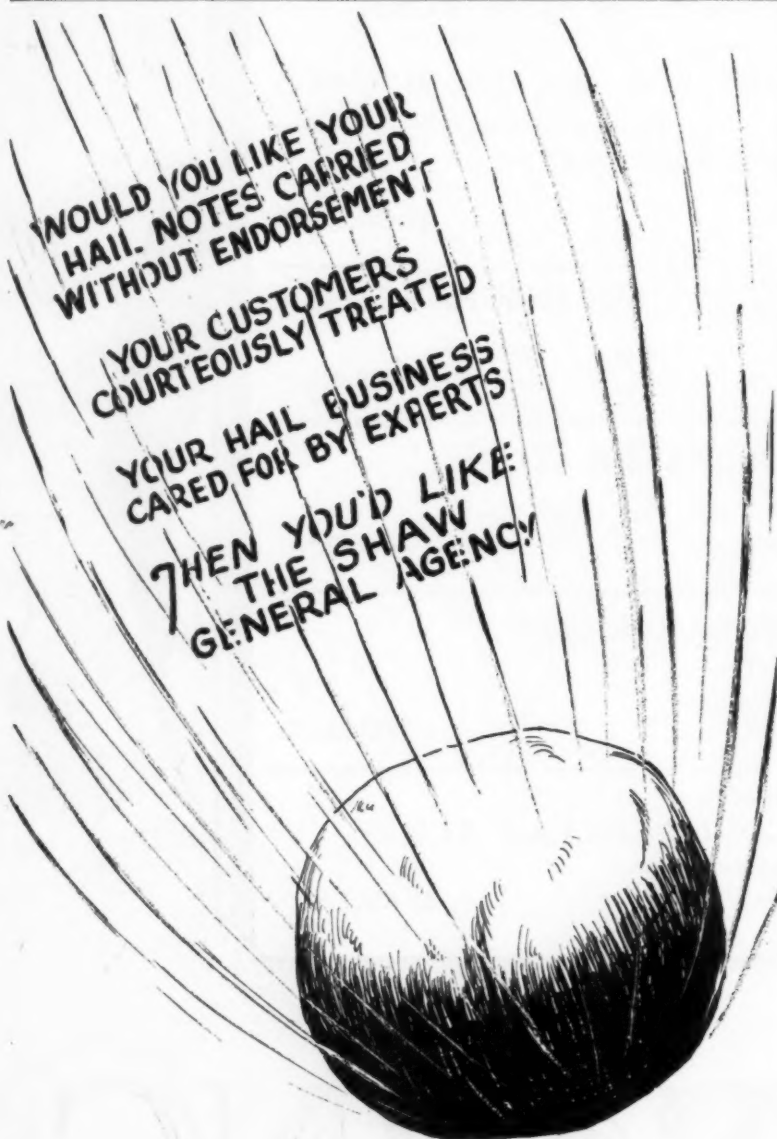
correctly stated at 10, 20, 30, etc., and as to the probability of good work on the part of the adjuster. Without fail ascertain the total number of acres in the field and the total acres uncut at date of storm.

Up until a couple of years ago many adjusters determined the loss by determining the percentage of broken straws, adding shatter, if any, regardless of the stage of growth. While I do not think any adjuster uses that method now, there is still some difference in methods used, consequently, we will discuss adjustments at different stages of growth and will take wheat as the crop to adjust.

Adjustment on Young Crop Should Be Deferred

Suppose a loss on wheat just after jointing and ten inches high. Adjustment of loss to a wheat crop in this stage of growth should be deferred at least ten days or two weeks and in the event a large percentage of straws are broken off the adjustment should even be deferred for a longer period since dry weather may cause the loss to be greater than was originally apparent, or wet weather may cause the loss to be

(CONTINUED ON PAGE 34)



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Gen'l Agent Enid, Oklahoma
- 4 **NEBRASKA**
John F. Zimmer
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- 5 **MINNESOTA,
NORTH DAKOTA,
SOUTH DAKOTA**
J. Pierce Wolfe
Gen'l Agent Moorhead, Minn
- 6 **THE WESTERN DEPT.
ROCKFORD, ILLINOIS**

INCORPORATED 18-41

Security Insurance Company
OF NEW HAVEN, CONNECTICUT
A STOCK CORPORATION

WESTERN DEPARTMENT - ROCKFORD, ILLINOIS
WALTER D. WILLIAMS, MANAGER

Fords - - - \$4.50
Chevrolets - 5.00
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That's the special rate for Deferred Payment Insurance on those cars. For particulars write:

W. M. Chittenden
Guaranty Liability Co.,
Chamber of Commerce Bldg.,
Cincinnati, Ohio

THE NATIONAL UNDERWRITER

Published Every Thursday by the NATIONAL UNDERWRITER COMPANY, Chicago, Cincinnati and New York. C. M. CARTWRIGHT, Managing Editor. PUBLICATION OFFICE, Insurance Exchange, CHICAGO

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Replacement costs were lower 75 years ago

WINDSTORMS are not new to this, or any other country. Man has always been faced with the necessity of strong construction to stand against the fury of the gale. Yet despite his most careful precautions, his property frequently suffers severe damage.

Three quarters of a century ago, when the Agricultural was founded, windstorm insurance was unknown. Tornado losses were felt as keenly but the actual money loss was less.

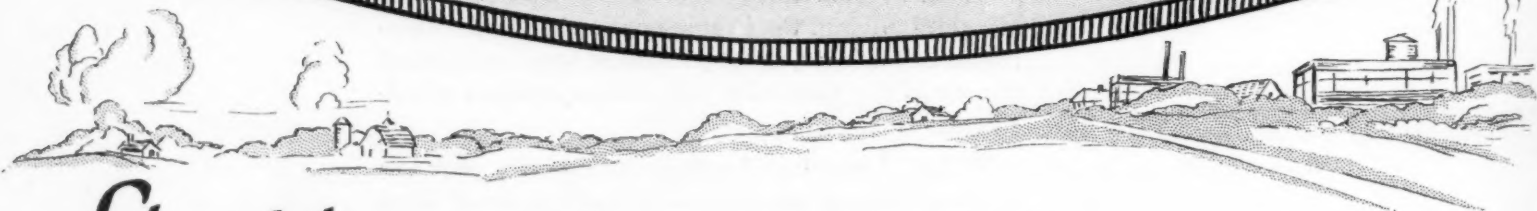
Times and customs, materials and needs are constantly changing. So, keeping pace with the developments of business, the Agricultural soon recognized the need for financial protection against windstorms.

Today, Agricultural agents the country over are writing tornado insurance—one of our many lines which are vitally necessary as a protection against financial loss.



Agricultural
Insurance Company
of Watertown, N. Y.





*Shielding America's Homes
and Commerce from Windstorm Loss*

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Tornado Insurance Section



WILL windstorm insurance ever become a standard cover like fire insurance? Certainly in the west it ought to. The growing loss ratio more than overtaking the growing premiums, is not all due to exceptional seasons.

For many years tornado insurance was in the "velvet" class and agents had the notion that rates were too high. The low loss ratio that prevailed in former years, however, is easily explained. A tornado does not strike in the same place every year. Many cities are visited by destructive windstorms at intervals, but it is rare for the same town to suffer severe damage for a number of years in succession.

FORMERLY tornado insurance was written after the tornadoes. Thus the companies that had a few losses were very likely to collect more in new premiums than the insurance losses amounted to. If a town suffered \$500,000 damage, the insurance damage might be \$10,000 to \$50,000. Then all the citizens would get scared and buy tornado insurance, resulting in a premium income almost sufficient to pay the insurance loss.

Then by the time another tornado came around the tornado insurance would have expired. Probably the agents would have neglected their renewals, because they felt, like the public, that another storm was not likely. Thus when the second tornado came around the insurance loss would again be low, and with the stimulation of business another large volume of premiums would be written.

THAT is not the case nowadays, however. The insurance losses are heavier because the tornado insurance is kept in force. The bankers and building and loan associations have their state and national associations just like the insurance men. After a number of storms had taught them the lesson that tornado insurance is necessary on mortgaged property in order to protect the mortgagee, such insurance began to be required as a matter of routine, and not

only within the period after a storm. With the tornado insurance kept in force the companies are beginning to get losses every time a storm occurs. Thus the loss ratio has necessarily gone up and there is even talk of the line requiring a readjustment of rates.

It is not necessary to assume that windstorms are more frequent or more violent than in former years. The only change is that now there are greater values in the paths subjected to the ripping forces of the wind. The present generation has always heard of windstorms occurring in this section or that. The building destroyed may have been a farm house or a barn, or part of a village, with occasional destruction in a fairly large city. Now a storm can hardly strike the earth and follow the surface for any distance without causing serious property damage and perhaps loss of life. Thus with the storms only maintaining their average severity the property loss has grown enormously because of more property and greater values exposed to destruction.

THE old business of writing windstorm insurance only after a loss and only in the town or neighborhood that had suffered was very deceptive as to actual hazard. Windstorms by nature are a "conflagration" hazard. An immense share of the fire losses is paid out for fires that are confined to a single dwelling, or even to a single room. There are occasionally small losses from windstorms where only a single house is affected, but if a tornado strikes at all it is apt to cause damage that may mount into the hundreds of thousands of dollars. Naturally such losses do not occur as often as the small single losses by fire, even though the total windstorm loss may come far closer to the total fire loss than is generally supposed. In other words, the tornado losses are so scattered in territory and so separated by time that it has been entirely natural for a loss to occur, a large volume of insurance to be written and the insurance to expire before another windstorm came along in the same neighborhood.

With the banks and building and loan

societies insisting upon tornado insurance being carried continuously, whether there have been any recent storms to scare them or not, when a tornado does strike it reaches far more insured property than formerly. In other words, the insurance is being written before the loss instead of after.

KEEPING the windstorm insurance in force regardless of whether there has been a recent storm or not is going to improve the underwriting. The insurance companies themselves as yet know very little about the windstorm hazard. They have been deceived by their own experience. With a large volume continuously in force the companies will learn whether one state or region is really more hazardous than another. They will learn what classifications can be made in risks as well as in territory. So far the rates have been largely guess work, with the guesses running against the companies for continuous insurance, but in their favor if they are only called upon to insure between losses. Better rate making will be forced on the companies. They will not be able to put increases in force without sound reason. If they make a flat increase for all territory, they will simply lose the premiums from the less hazardous sections, while they will continue to get business from the hazardous sections, in which case even the new rates will not be sufficient with such an adverse selection against the companies.

REPORTS of storms are not a sufficient basis for rate making. Everyone is familiar with the way news paper correspondents estimate damages. A \$10,000,000 storm spread across the front page may turn out to be \$500,000 in actual fact. On the other hand a very serious storm may never get into the newspapers. For instance, after the Miami hurricane or the St. Louis tornado, the newspapers would hardly have paid any attention to a \$100,000 windstorm damage anywhere, and even a \$1,000,000 storm would have received about two or three lines notice, because overshadowed by the greater catastrophe. On the other hand, if news is

scarce, a comparatively harmless breeze will "make the first page" and enough ciphers will be put on the estimate of damage to make a good story. The only real basis for judging windstorm hazard is the premium income and loss disbursements, properly classified as to territory and type of business.

With tornado insurance continuously in force, under the pressure of the lending institutions, the right kind of experience will be accumulated and the indications are that it will tell a different story than the old experience resulting from insurance "between losses." While it is likely that rates will have to be raised in some places, this will not prove harmful to the business. Hazard is the real stimulator of insurance. Most insurance is carried where the hazard is the best known. It is the high rated risk that asks for protection.

ACCURATE rating for type of construction, seems still far away. It is obvious that the better class of buildings will withstand windstorms much better than the flimsy type, but windproof buildings seem to be just like fireproof buildings—"there ain't no such animal." Wind damage to window glass of course is obvious in any type of building. However, in the Miami hurricane a steel skyscraper of modern type sustained heavy damage from the force of the wind. In the St. Louis windstorm of last fall a power house in East St. Louis, presumably of the best construction, was demolished. The principal feature of the great St. Louis storm was the number of high class modern buildings that were either wholly or partially destroyed.

While a frame building may appear to suffer more severely than a brick building from a windstorm, the damage to the brick building may be the more serious, even on a percentage basis. A frame building may give with the wind and even if it is wrenched a little out of shape builders know how to bring it back with jacks and screws and braces. If a brick building is wrenched it may be necessary to tear down the walls down to the foundation in order to

make the building safe. Thus while a frame building may be leaning somewhat after a storm and a brick building show very little visible damage except a loosening of the walls, the damage to the brick building may be far more serious. If a steel construction building has to be torn down to the basement and rebuilt in order to make it safe, it might as well be called a total loss even though not a brick fell.

RELIABLE experience can only be gathered slowly because the "conflagration" nature of the windstorm hazard does not give a good cross section of the hazard. For instance, no one yet knows the effect of a tornado on a modern skyscraper. It is true that one such building was badly damaged in Miami, but the storm there was one that may not be repeated for 100 years with the same intensity. The Miami storm was not a tornado. The damage done there was purely by the driving force of the wind, reaching an amazing intensity. A tornado has an explosive force.

It is not surprising that no skyscraper has been subjected to a real tornado when it is remembered that the average city building of steel construction may cover as little as one-eighth of an acre, and the largest scarcely cover an acre. Yet if a tornado should sweep the center of a city like Chicago or St. Louis or Kansas City, not only one but many skyscrapers might be practically demolished.

A STUDY of buildings damaged in the past storms does not encourage the idea that there will ever be the same difference in tornado rates that there is in fire insurance rates. A building may be insured against fire for as low as 10 cents per \$100, or as high as \$2 or \$3 per \$100, and the low rated risk will be considered the most desirable by underwriters at that. The difference in rates indicates their ability to withstand a fire. No such superiority is observable in regard to withstanding windstorms.

Another feature of the tornado insurance experience is the run of small losses. Nowadays claims are presented for a few shingles blown off, siding ripped, or occasionally for some object

Agents Fail to Make Selling Effort—Tornado Lines "Bought"

"MOST of the increased volume of tornado business that the companies have written in St. Louis since the storm of last September has been bought, not sold," said one of the leading adjustment experts of the country in commenting on the opportunities agents have to increase their annual incomes by seeking tornado business more vigorously. The adjuster spent weeks in St. Louis following the tornado in settling claims and is fully competent to speak not only on adjustments but also on writing business and underwriting.

One of the myths exploded by the blow of Sept. 29 was the one that tornadoes never strike twice in exactly the same place. Earlier in 1927, on May 9, St. Louis was visited by a storm that was less severe than the Sept. 29 storm, and in the second blow of the year many companies paid claims on a large group of structures on which they paid claims following the May 9 storm.

Huge Losses Insured and Uninsured

The total loss in Sept. 29 storm is estimated at from \$38,000,000 to \$40,000,000, and the insurance loss at between \$13,000,000 and \$14,000,000. Adjusters found that mercantile contents were to a large extent insured, most with 80 or 90 percent coinsurance. However, it is estimated that not more than 1 percent of dwelling contents were insured. This fact is more proof that most city agents are lax in the matter of seeking tornado business on dwelling contents. This has been re-

being driven through a wall. The damage is often trivial but to some extent the claims are encouraged by the agents, who want to show the benefit of windstorm insurance. While there is no objection to this, as the companies acknowledge liability, the drain of small losses amounts to considerable considering the very low rate charged for tornado insurance.

TORNADO premiums showed a good increase in 1927, going up to \$40,000,000 from \$36,700,000. A gain of \$3,000,000 is not bad, although it is less than 10 percent. In view of the disastrous storms at St. Louis and Indianapolis last year and at Miami the year before, a larger gain might have been

vealed half a dozen times in the last three years. St. Louis affords an excellent lesson in the possibilities of the dwelling contents line, for upward of 70 percent of the buildings damaged or destroyed were used for residential purposes.

At St. Louis, however, it was found that although the insurance loss was high the total loss was greatly higher, and that not more than 40 percent of insurance to value was carried on the total of destroyed values. Had the city never been visited by a destructive storm there might have been some excuse for the laxness of agents in pushing the tornado line. But the city had had a number of severe storms in earlier years, one near the close of the last century doing great damage.

Two Insured Police Stations Badly Damaged

The city to the time of the storm carried its own risk on its buildings with the exception of two police stations, which were insured to value and which suffered heavily. The logic of the city fathers in making the city carry the risk on all but these two structures is incomprehensible. The fact that the two police stations were insured, however, indicates that those who conduct the city's business are not altogether deaf to the stock insurance appeal.

Almost all other institutional buildings—hospitals, schools other than public schools, and structures in this class—were found to be insured. An exception was a large Catholic hospital,

(CONTINUED ON PAGE 30)

expected. Agents are rather set in the belief that they cannot sell tornado insurance in the cities. It is strange that farmers buy tornado insurance almost as much as fire insurance, although the great examples of tornado loss are always in the cities.

THE problem is pretty much one of selling. The farm agents are more disciplined than the city agents. They usually represent a single company, which can put pressure on them to do what they ought to do. A farm agency is a franchise of value, owing to the fact that so many companies are reluctant to write farm business. Thus a farm agent pays attention to the instructions of his company about selling

tornado. In the cities, especially the smaller cities, the agents have more companies than they know what to do with and any urgings to improve their selling methods are offered very gingerly by the companies, and treated with contempt by the agents. It is hard to induce the agents to make money for themselves by selling an additional line. The farm agent is always a better salesman than the city agent. He has to be because his prospects are so far apart that he has to make every call count. The city agent is mostly concerned in getting the insurance already placed. His interest is in expirations, his own and others', and he is not very active on new business. The companies have little more idea of salesmanship than the agents. The great ambition of a special agent is to get into a good agency, more than to help one become good.

THE loss ratio of 63 percent in 1927 is due very largely to the St. Louis and Indianapolis storms. In both cities a large share of the losses was in sections that were not built up ten years ago. In other words, if the same storms had struck in the same places ten or twenty years earlier than they did they would have done much less damage because there was much less property at that time in the paths they followed in 1927.

One effect of a bad loss record is to make the companies willing to get along with a smaller volume of the unprofitable class. Thus some companies have thought they would just as soon not write very much tornado insurance, since the big storms of the last couple of years. It may be this attitude of the companies that prevented the great examples of tornado losses from resulting in a still greater increase of premiums.

There are tens of thousands of property owners who have never been solicited for tornado insurance and a large share of them have never even heard of it. The agents, not having experienced a storm in their immediate neighborhood, think to themselves "Nobody will buy windstorm insurance" and therefore do not even offer it. It is an undoubted fact that premiums could be doubled or tripled with just a little selling interest on the part of the agent.



Ruins of the solid brick buildings of the Dalton Home Furnishing Goods Company at Poplar Bluff, Mo., after the tornado that struck that city last September. Value of building, \$57,000, loss nearly total. Value of stock \$52,500, tornado insurance \$46,000, loss total to insurance on stock.



Ruins of the building of the Dalton Home Furnishing Goods Company, at Poplar Bluff, partially cleared up. At this stage it would be hard for the inexperienced to see any salvage and indeed the salvage was small. There were many buildings on which there was no salvage whatever.

Government's Report on S. Louis

Tornado-Resistant Construction of Buildings Possible by Venting—Highly Important Study of Damage to Buildings

By L. V. TEESDALE
Engineer in Forest Products

TORNADOES, like volcanic upheavals, floods, lightning, epidemics, and pestilence, have been included in the past in that group of natural causes of widespread death and destruction which are described as "acts of God." In recent years, medical and engineering science and training have greatly reduced the seriousness of some of these "visitations of the wrath of Nature," while others are being studied, and their habits and character analyzed to determine to what degree they may be brought under control. Very little attention has heretofore been given, however, to the study of tornado-resistant building construction.

Loss Would Have Been Staggering

Tornadoes are local in effect, and as the area of sparsely inhabited country greatly exceeds the congested areas of our cities, it follows that a large percentage of the tornadoes cause relatively little damage, even though the destruction is severe within the actual path followed. If a tornado similar to that which struck St. Louis last September had passed through an open farming community, the toll would have been a half dozen houses and barns and some wrecked orchards and groves. On the other hand, had it passed through the central business section of St. Louis or any other large city, the loss of life and property would have been staggering.

No Effort Made for Tornado-proof Structure

A fatalistic attitude has commonly been manifested toward tornadoes. It has been accepted as inevitable that any building in the path of a tornado will be demolished, more or less regardless of its construction. No particular effort has been made to design buildings to withstand tornadoes. In country sections where they are frequent the farmer and his wife retire to a cyclone cellar as the storm approaches, leaving buildings to the wrath of the elements. The town and city dweller seldom has even the protection of a storm-proof cellar but is practically at the mercy of the storm's caprice.

In the designing of buildings special consideration has been given to the effect of heavy winds and hurricanes.

Rules for Reducing Tornado Hazards

1. Provide automatic means of venting side walls and attics of buildings.
2. Avoid suspended ceilings or provide ample vent areas in them.
3. Strengthen narrow brick and tile piers with steel columns well anchored in place, or provide continuous lintels over several openings, or use both methods of strengthening.
4. Fill in solid back of all face veneer and compensate elsewhere for loss of the insulating value of the air space.
5. Use fire stops as recommended for good construction, to split up unavoidable confined air spaces.
6. Temper with cement all lime and gypsum mortar used in masonry.
7. Condemn and remove all unused buildings and structures which would disintegrate under storm conditions and thereby add to flying debris.
8. Construct and maintain roofs so as to reduce possibility of parts becoming loose.
9. Eliminate as far as possible all loose material which would be blown about by the wind.

Suitable wind bracing, rigidity of parts, and good materials and workmanship have been provided for in an effort to insure buildings which would withstand these forces. Buildings embodying these construction principles passed through the Florida hurricane of 1925 practically undamaged. In the St. Louis tornado, however, such buildings would have been badly damaged, though not so seriously as poorly constructed ones.

Present Standard of Construction Inadequate

The damage done at St. Louis showed conclusively that the present types of construction do not include the element of design which protects against tornadoes. The rotary motion of a tornado creates a partial vacuum which is greatest near the center of activity. Because of the rapidity with which the tornado moves, the drop in atmospheric pressure

is almost instantaneous at any given point. Though this condition lasts but a few moments, it is long enough to create a difference in atmospheric pressure between the inside and outside of all closed buildings in its path. If the internal pressure thus set up exceeds that which the various parts of the building can resist, an effect is produced similar to that caused by an internal explosion.

The intensity of this internal pressure will, of course, depend upon the difference in pressure between the inside and outside of the building. One authority has estimated that in extreme cases the atmospheric pressure could drop to one-half normal or about $7\frac{1}{2}$ pounds per square inch. Under such a condition the difference in pressure between the inside and outside of buildings would be enough to produce a load of about 1,000 pounds per square foot as long as the

pressure was confined—a force sufficient to lift a mass of masonry 7 feet thick. No ordinary building could withstand such a force. Fortunately the probability of such extremes is rather remote, since the usual tornado apparently develops pressures that are only a fraction of the estimated possibility. It is possible to estimate that the pressure set up in St. Louis exceeded 35 pounds per square foot, and even this pressure would be disastrous to the average building.

The partial and in some instances almost complete immunity of certain buildings in the path of the St. Louis tornado might be laid to the caprice or eccentricities of the storm. Certain consistencies in the construction of such buildings, however, indicate that their immunity must be accounted for in some other way.

Property damage to buildings by tornadoes may be divided into two classes: (1) That caused by the explosive effect, and (2) that caused by flying debris. The explosive effect occurs when air is confined in buildings and is most damaging when the air occurs in large volumes. Whether a building is partially or totally destroyed by a tornado depends upon several factors, chief among which are the intensity of the storm, the characteristics of the building material used, and the presence of structural weaknesses.

Concrete Slabs Lifted by Air Pressure

The damage done to two large rooms in a school building in St. Louis, one a gymnasium and the other a chapel, gives some idea of the intensity of internal pressure produced by the tornado. These rooms, part of a one-story building, were roofed with precast concrete slabs supported on steel trusses. They were surrounded by thick brick walls, which contained no windows. Each wall was broken only by about three door openings. A large percentage of the roof slabs were blown off their supports, and most of them dropped back through the trusses to the floor. It was reported that a few were carried upward and outward over the parapet walls and dropped into an open yard. The average weight of the blocks was



This is a picture that deserves careful study by those who think that a brick building is not subject to damage by wind storms. The building shown was on North Grand Avenue, St. Louis. Originally it was two stories.



Wreckage caused by wind at the world famous corner of Fifth Avenue and Forty-Second Street, New York City. With the many broken windows water damage might have been severe. Pacific and Atlantic photo.

estimated to be about 35 pounds per square foot, so that the internal pressure must have at least equalled the figure given.

Need Some Method of Relieving Pressure

The explosive force of a tornado searches out certain types of structural weaknesses. By noting the similarity and consistency in the character and location of damage in hundreds of buildings at St. Louis, it was an easy matter to pick out those parts of buildings which were not strong enough to resist internal pressure. To depend upon strengthening measures alone to protect a building seems economically impracticable. Such measures, however, should be made supplementary. What is needed most, as demonstrated at St. Louis, is some method of automatically releasing internal air pressure in buildings. The purpose of this discussion is to suggest how this may be accomplished.

From 90 to 95 percent of the buildings in the devastated area were of brick or masonry construction, and most of them medium-sized residences. Other structures in the area included apartment buildings, stores, churches, schools, hospitals, etc. Some buildings were new while others were 40 years old. The most common weak points in brick or masonry construction were thin walls, side walls of large rooms, high walls enclosing outside stairways, and walls with numerous window and door openings. Whenever and wherever the internal pressure exceeded their strength, the walls of buildings blew outward, usually at openings, and windows and door frames were carried out with the brick.

Glass Held, but Carried Out Brick Masonry

Closed windows of the ordinary type did not actually constitute a vent unless the glass became broken by debris or the frames blew out. Curiously enough, the glass in windows of ordinary size seemed to be strong enough to resist the internal pressure. The weak point was the anchorage of the window frame to the sounding wall. In buildings containing numerous openings separated by brick piers, the piers were carried out with the frames, causing the unsupported walls above to collapse. The more massive lower walls in some of the churches stood the strain, but the masonry above large gable windows was blown out and the roofs were blown off the auditoriums. Many garages, large and small enjoyed almost complete immunity because of open or loose-fitting main doors which acted as vents for the pent-up air.

Flying debris preceding the center of

the storm broke windows in buildings, and the openings so produced seemed in many instances to provide sufficient vent to prevent more serious damage to the structures. Air confined behind brick veneer and chimneys in side walls frequently caused face brick to peel off. Even air confined between the studs in plastered walls sometimes blew the plaster off.

Frame Stood Better Than Brick

Frame buildings and the frame parts of masonry buildings seemed to be curiously free from structural damage, even when they were in the direct path of the storm and were surrounded with brick structures which were badly damaged and sometimes even totally wrecked.

Wood walls could "give" without disintegrating. Under the worst conditions produced by the tornado the side walls would spring out. Where this happened the opening thus resulting relieved the pressure and the buildings remained structurally intact. In a two-story house having continuous studs from sill to roof plate a side wall running parallel to the floor joist pulled loose at the second floor and bent outward. From its appearance it was estimated that the wall bulged about 6 inches but that after the pressure was relieved it had returned almost to its original position, only a few plaster cracks being left as evidence of the effects of the distortion.

Safety Measures Needed for All Building Types

In most cases wood framework was strong enough to resist the load imposed and the only damage suffered was of a minor character. This damage resulted largely from flying debris. However, it does not follow that because so many frame buildings came through this particular storm in safety, frame construction is sufficient insurance against tornadoes. Regardless of the material of which they are constructed, safety measures are needed for all types of buildings in tornado areas—measures which are automatic and which will reduce if not entirely eliminate the possibility of structural damage. It is futile to expect that all damage can be prevented but it is reasonable to believe that it can be reduced to a minimum of that which occurs in buildings of present standard construction. What is still more important is the reduction in the number of deaths and injuries to the occupants of the buildings.

The principal lesson taught by the St. Louis tornado is the need of providing vents in the exterior walls of buildings, instead of leaving this venting to the

forces of nature. Internal pressure could not develop to an appreciable point in a house with open windows. However, there is seldom time or inclination on the part of occupants to open the windows on the approach of a heavy wind and rain storm; hence safety measures must be independent of the personal equation.

On the basis of observations in St. Louis, it appears that 10 to 15 percent of the outside wall area of a building would provide ample vent area. Approximately 30 percent of the exterior walls of residences are window openings.

Simple Relief in Automatic Windows

If a sufficient number of windows are designed so that they will open outward from internal pressure the necessary venting can be accomplished. Special windows and frames could be designed, equipped with hardware which would work on the same principle as the panic bolts used on exit doors of theatres. Another possibility would be hinged panels in the space between windowsills and floors. Automatic vents of the character described could be installed in existing buildings as well as in new buildings. Such vents should be placed in the more hazardous places such as side walls of large rooms, stair halls, in all 8-inch brick walls, in walls cut up with numerous openings separated by narrow masonry piers, and in the gables and dormers of all roofs.

Concealed Flaps Can Be Roofed Over

Where there is not enough window area available to vent attic spaces, venting might be accomplished by a variety of methods. For instance, one or more sections of the roof could be framed out like a large door, one edge of the section being hinged. Such a section could be roofed in the usual manner and need not appear different from other portions of the roof. A house thus vented should suffer little or no structural damage from internal pressure during a tornado. Many buildings in St. Louis appeared to have been vented by the breakage of windows caused by flying debris, before the critical period of the storm, and materially less damage occurred in such buildings. In larger buildings—schools, churches, gymnasiums, etc.—venting principles would be the same though the details would vary more or less.

There may be some question as to whether any automatic vents would act quickly enough to save a building. However, the practicability of various methods of venting can be tested in laboratories. This would offer oppor-

tunity to work out the most suitable types of fittings, equipment and framing details.

Big Loss From Flying Debris Would Be Checked

In the aggregate flying debris was responsible for a large part of the personal and property damage at St. Louis. A considerable part of the debris came from wrecked or partially wrecked buildings. Liability from that source would of course, be reduced in proportion to the successful application of tornado-resistant construction. Slate, tile, and other roofing materials formed a large percentage of the flying missiles, and added to the loss of life as well as property. When slate and tile are laid in the usual manner, the nails are not driven "home" because if they were, considerable breakage would occur. Consequently, the pieces are slightly loose and are more liable to blow off in high winds than if they were nailed rigidly.

Better Fastening for Roof Materials Needed

Some means should be devised to obtain more secure fastenings. In the case of slate it might be possible to place a piece of spring steel under each nail to take up the "play." Tile manufacturers could probably devise some interlocking connection which would accomplish the same purpose.

At St. Louis tin and sheet metal, tar and gravel, and roll roofing were blown off in sheets and large sections, indicating the need of more frequent and secure nailing or of pasting tar and gravel roofs down with tar wherever possible. If spaces exist between adjacent roof sheathing boards, air may pass under them, causing them to be blown off easily. Roof sheathing boards for all roofs other than shingle should be either center matched or shiplap, not more than 8 inches wide, and thoroughly seasoned. Such stock will not shrink enough to open the joints between boards.

Of the few cases of wood shingle, composition shingle, and asbestos slate roofs observed, all were in reasonably good condition following the tornado.

Once the action of the destructive forces of tornadoes as applied to building construction are understood every effort should be made to develop tornado-resistant construction. Insurance companies carrying tornado policies, architectural and engineering organizations, contractors, and builders should all work to the end that suitable city and state building codes carrying practical provisions for protection to both new and old buildings may be developed.



How many automobiles can be discerned in this picture, taken in Poplar Bluff after the September storm? Besides the ten that can be counted with the naked eye, a magnifying glass on the original photograph shows six more up the street buried under the debris. The mass of bricks in the foreground covers one more automobile than would be supposed at first view.



This is a scene in Poplar Bluff, Mo., after the storm of last September. In the lower right hand corner is shown what happened to a brick wall. The picture not only shows the damage but also the substantial construction. Hundreds of such walls in Poplar Bluff and St. Louis had to be rebuilt from the ground up, even when the buildings were not demolished.

Sell Windstorm Cover Before Loss

Will Tornado Insurance Ever Live Down Its Name and Be Sold to Protect Against the General Run of Small Losses?

By **FREDERICK HOADLEY**
Secretary, American Insurance Company of Newark

WHEN the writer of this article was asked to contribute some remarks on the subject of tornado and windstorm insurance, his first concern was with the meagreness of his own opportunities for acquiring an authoritative knowledge of the subject. How was one who had never seen a tornado nor suffered any ill effects from windstorms, sitting in the security of a solidly built home office edifice, in the calm and tranquil atmosphere of the garden state of New Jersey, to write convincingly about the perils and the dreadfulness of an angry Boreas?

An inspiration was needed, and it was vouchsafed. No sooner had the commission of authorship been accepted than along came a furious gale out of the southwest and ripped off a part of the roof of your devoted servant's dwelling place. But mark you, it was insured. Insured for 50 percent of its value by a tornado and windstorm policy containing a 50 percent coinsurance clause. How fortunate.

Premiums of \$40,000,000 But Still Poorly Sold

And right here, embraced within this little personal experience, is the germ and seed of every idea that the writer had in mind on the assigned subject, tornado and windstorm insurance as the home office sees it. For what do we see, looking out from the quietude of this managerial atmosphere? A business of 30 years' growth, having attained to a premium volume of some \$40,000,000 per annum and serving a public necessity no less real than that of fire insurance, and yet so poorly sold that the bulk of the premium income is derived from, and

most of the loss liability concentrated in, that limited area commonly known as the tornado belt. We see that the distribution of risks outside the tornado belt tends to consist of a goodly fringe within the hurricane zone of the southern coastal region. We see the population of these geographically limited areas, better taught or better sold than the rest of us, protecting themselves quite generally by tornado and windstorm insurance; collecting under their policies, not only the ruinous losses of real tornadoes but likewise much of the monetary toll taken by common everyday windstorms. That is the picture of tornado and windstorm insurance that presents itself to the eye of the home office management.

Will Tornado Insurance Ever Live Down Its Name?

The question is, will tornado insurance ever live down its name? In the beginning, it was dubbed "tornado," and dwellers in the tornado belt were its customers. They are yet. We have changed its name to "tornado and windstorm" insurance. We have explicitly made the policy cover the effects of cyclonic winds, hurricanes, March gales and every kind of destructive air current that the weather provides. Yet we, and everybody else, continue to speak of this policy as a tornado policy. Why, in the name of common sense, do not we, as salesmen, when in Rome do as Romans do? Sell "tornado" insurance in the tornado belt, advertise "hurricane" insurance where hurricanes come, and in

the more fortunate districts that are not so well acquainted with those dread phenomena of nature, let us, as salesmen, shun the words tornado and hurricane. Let us talk to people in those regions in a language they can understand and offer them the thing they need, which is "windstorm insurance."

Should Be Premiums In Every Section

Who pays the tornado losses of St. Louis, and who pays the hurricane losses of Miami? Whence comes the premium income out of which these heavy catastrophe losses can be met? The windstorm hazards of other parts of this country are just as real, if less severe, and since the rates of premium are adjusted to the severity of the hazard in each location, why should there not be a respectable windstorm premium income from every section to pay the losses in any section, just as there are fire premiums from every section to pay conflagration losses anywhere? It is true that in some sections heavy losses by tornado and windstorm are of rare occurrence, except to dilapidated or frail and unsubstantial structures. But so are heavy losses by fire rare occurrences in many places, except to property of an extra-hazardous nature. That is not a reason advanced by anybody for dispensing with fire insurance. The average claim under a fire policy is not more than \$200 to \$300, probably less than that figure. People buy fire insurance in the expectation of collecting par-

tial losses. Why will they not buy the much less costly windstorm insurance?

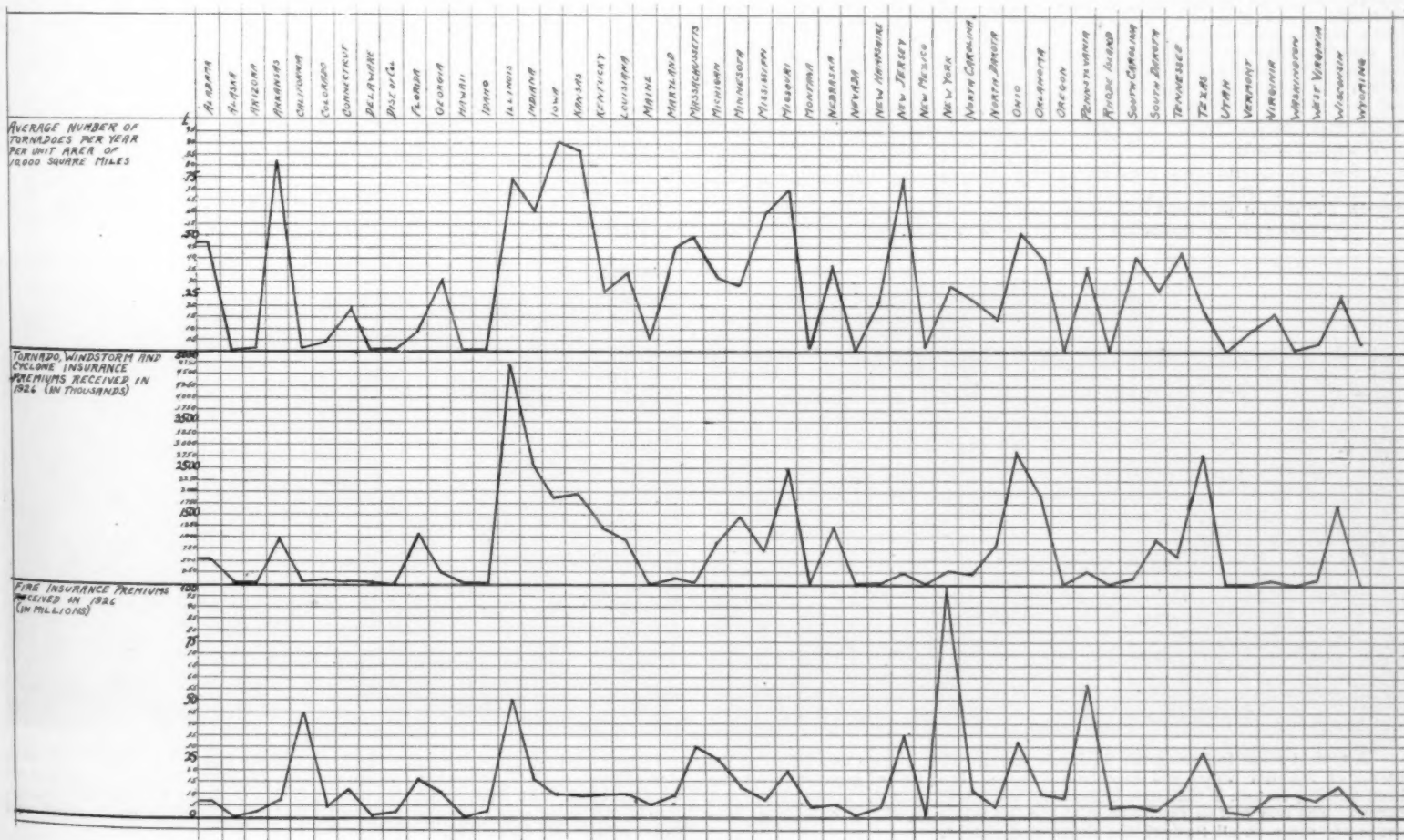
Where There Is Risk There Should Be Insurance

Wherever there is a risk of property loss and that risk is insurable, the sensible and prudent man, be he owner or investor, when informed, provides himself with insurance. The risk of property losses by windstorm varies in different regions, according to climatic conditions, but everywhere it exists, and all the time. In some regions there is the risk of total loss by the terrible tornado. There the demand for insurance is greatest, even though the rates there are highest.

In other sections tornadoes are more rare, though by no means unknown; but winter gales, March winds, summer squalls and autumn blows wreak damage, and loss, no less here than in the tornado infested states. All alike share these lesser disasters of the elements. The point is, that the wind policyholders of the tornado states, collect both kinds of wind losses, while elsewhere the constantly occurring losses by windstorm, costing in the aggregate many millions of the people's money every year, are, for the most part, uninsured, although the rates are adjusted to the diminished hazard.

Windstorm Cover Has Been Bought, Not Sold

The significant fact about tornado and windstorm insurance from the standpoint of the home office official is that it has not been intensively sold to all who need it, but has been bought by all who know they need it. The natural



result has been a condition destructive of the basic principle of insurance—the law of average. The same old law of average that takes the Mississippi floods out of the realm of insurable loss and damage; the same old law of average that makes earthquake insurance such an unsatisfactory venture; because nobody knows where the next earthquake is going to hit, excepting that everybody guesses that it is going to be in California (it may be in New Jersey, but you can't make Jersey men believe it).

Path of Ruin Still Lying Prostrate

Credit should not be withheld from those who have succeeded in amassing the very respectable volume of tornado and windstorm business represented by premium income of \$40,000,000. They have done well and their efforts are not to be depreciated. Even in those states of the central western plains that form the heart and stronghold of demand for tornado insurance, it has taken years of hard work to create a fairly wide public recognition of the value and usefulness of insurance against the loss and disaster wrought by wind. Much remains to be done there, too, as appears from the fact that the great St. Louis tornado last year destroyed \$30,000,000 of property, with not more than \$10,000,000 insurance to pay the loss. Though six months have passed, the visitor to St. Louis would find much of that path of ruin lying prostrate yet; for no arm is outstretched to raise it from the dust save only the good right arm of insurance. Its healing touch never fails the provident, and it has done its part here, too. Under-insurance and absence of insurance have left their mark on St. Louis.

Equal Amount of Labor Will Get Reward

Our contention is not that a spontaneous demand in any region has made hard working salesmanship unnecessary, but rather that as this work in some regions has been rewarded with a large measure of success, so an equal amount of effort by other laborers in other fields less spectacularly devastated by the winds of heaven will, if persistently carried on, give to property in those regions too, the security of which it equally stands in need, and to the companies a premium income out of which to pay losses wherever they occur.

Only Eight States Without Tornado

Let us see whether we have stated the case fairly. This is not a statistical review nor does it pretend to any deep

(CONTINUED ON PAGE 37)

Tornado and Fire Insurance Are Sold for Same Amount

"WINDSTORM insurance in the same amount as the fire coverage can be sold to every assured," is the statement made by the western farm department manager of one of the leading companies of the country in the matter of premium volume. "Every agent, no matter whether he works among farmers, in villages and towns, in third and second-class cities or in the outlying residential and commercial sections and the suburbs of the major cities can sell as much windstorm as fire insurance the year 'round. He not only can, but he should, for his clients, for himself and for his companies. In addition, he can sell the hail extension with from 80 to 90 percent of the policies he issues, and in so doing he will eliminate every possibility of controversy over a hail loss."

Since the test of any system is whether it develops the desired results, the farm manager who made the statement quoted above produced a large group of applications received in one morning's mail and a large group of policies issued under one date to prove the worth of the system of urging agents to sell windstorm insurance with all fire and in the same amount as fire. The result of the brief investigation was as follows:

Same Amount for Windstorm as Fire

Applications and policies numbered 192. Of this number, 186 were for the same amount of windstorm as fire. Three were for fire only; three were for windstorm only. The states covered by the applications and the policies were: Oklahoma, Kentucky, Tennessee, Nebraska, Illinois, Missouri, Arkansas, Kansas, Texas, Iowa, North Carolina, South Dakota, Indiana, Alabama, Mississippi, Colorado, Virginia, South Carolina, Wisconsin—a total of 19.

The company in which this business was written conforms rigidly to all regulations affecting this class of business, makes concessions on nothing, and obtains results solely by showing local agents what can be done and how to do it and insisting that they adhere to plan. Every agent of this company whose field is primarily the farm writes village, town and city business also, and always with windstorm and fire combined and as frequently as possible with the hail extension added.

In a number of states—Nebraska,

Oklahoma and some others—a combined windstorm and fire policy form has been approved and is used by all companies writing windstorm. In some others insurance department approval is unnecessary and the combined form is used. In the majority, however, windstorm and fire are written on two separate policies.

When insurance was younger than it now is the people of the United States almost universally entertained the idea that their country was cursed with "tornado areas" and blessed with areas that were free from tornado danger. The experience of a number of recent years has proved the fallacy of the idea and the necessity for windstorm insurance in every corner of the land. Three unusually destructive windstorms and many minor blows were suffered in 1927. The worst of these struck Poplar Bluff, Mo., St. Louis and Indianapolis.

Bless the Agent Who Sold Coverage

One storm that was highly destructive in its total effect broke first in southern Texas and did not blow itself out until it reached the upper boundary of the lower Michigan peninsula. At the same time that this wind was at work another started farther north and farther east and traveled northeastward to the northeast corner of Virginia. A number of hard and destructive winds were recorded on the Pacific coast and others along the Atlantic seaboard. The experience of this one year alone is sufficient to indicate that any part of the country may be struck at any time and also that a wind need not attain tornado proportions to be destructive to large amounts of property.

It has been the experience of most agents who push the windstorm line in combination with fire that assureds begin by making efforts to resist buying windstorm coverage in the same amount as fire, but proceed through buying it to blessing the agent who sold it. The blessing always is deferred until after wind damage has been suffered, but always is forthcoming then.

More material benefits than mere blessings are increased income for the agent and retention of clients through service. Many agents have lost clients through failure to sell them more, and more complete, insurance coverage and to insist that they buy it. In almost every rural or urban center some agent

is actively pushing full windstorm coverage in combination with fire. But his clients represent only a part of the total number of buyers of insurance—until wind strikes. Thereafter, usually, his satisfied clients spread among their fellows the information that one agent in the community knows the needs of assureds, and the total number of his clients increases. The agent who is not aware of what his competitors are doing is failing to keep abreast in his business, is not obtaining from the business the fullest possible return.

Since the windstorm policy expressly excludes damage by hail "whether driven by wind or not," still more income can be obtained than is represented by commissions for windstorm business alone by adding the hail rider.

The principal argument used by every agent who successfully sells windstorm coverage is that the assured is not completely protected until he has it. Accident and health agents and all who sell the casualty automobile coverages talk to his prospects in terms of "complete protection." This argument can be used with equal success by fire agents who start out for tornado business.

Wind Loss Actually Exceeded Fire

Some facts to use are the following: In 1924 the state of South Dakota suffered a far greater gross economic loss from windstorms than from fire. Figures submitted by some of the largest companies writing windstorm show that the South Dakota tornado loss was from 15 to 20 times greater than the fire loss in 1924. Such losses may occur any time in any state. One company that writes farm business in 10 or more states reports that in 1927 its tornado loss ratio to premium volume was 67.56 and its fire loss ratio figured on the same basis was only 56.08. In 1924 the same company had a tornado loss ratio of 101.58 and a fire loss ratio of but 68.04.

Every agent should make a scrap book of newspaper stories of windstorm losses and never should fail to place somewhere on each clipping the date of the loss as given by the newspaper. Those who will do this will develop in any year a volume of evidence that will be overwhelmingly on his side of the windstorm coverage argument. Even if the agent confines his news gathering only to his own state he will amass a printed argument that will be unshakable. If he gleans material on losses only in his own state, he should so arrange it in his "evidence book" that stories from his own section of his state stand first in his book. Every recorded loss should be the agent's gain—in new business.



A typical scene following the St. Louis storm. This picture was taken at the corner of Whittier Street and Maryland Avenue. It is full of interest. Not the least striking feature is the large hole in the brick wall near the upper right hand corner. The rear half of the building at the left was torn off. Such damage was extremely common all through the devastated district.



Some folks say there is no tornado hazard in the east. This picture was taken at Washington, D. C., following a storm on Nov. 17, 1927. Numerous small homes were wrecked. The point about this picture is that it shows true tornado damage, that is, the force was explosive and forced the wall out while the heaviest wind storm would only force it in.

Lessons From Big Windstorms of 1927

No Type of Construction Withstood the Elements at St. Louis and Poplar Bluff—Walls Loosened to Bottom

BUILDINGS of every type of construction in the path of the storm were demolished by the \$50,000,000 tornado which struck St. Louis in September of last year. Some of the buildings of good construction came through with moderate damage but others of similar or even inferior construction right alongside of them were leveled to the ground. Thus it is clear that the partial immunity of some of the buildings was due to the vagaries of the elemental forces and not to the type of construction.

It is unnecessary to say anything about brick or frame buildings of the flimsy type. They exploded like toy balloons and fell in ruins on the foundations, or parts of them were lifted up and carried away.

Total Losses on Brick Buildings Were Common

Total losses on soundly built brick structures were common. Even when a brick building appeared at first view to have suffered only partial damage, such as loss of the roof, or of one wall, or an apparent collapse of the interior, it was frequently found that the walls had been pushed out, either by the force of the storm directly or from the collapse of the beams and joists. In case after case it was necessary before making repairs to tear down the loosened walls to the foundation and build anew. If all four walls were not loosened, one or two or parts of all of them were.

The antics of a tornado are mysterious. People writing about tornadoes speak of "the path of the storm" and that is descriptive but by no means tells the story. The storm does not sweep clean like the swath of a mower. Buildings of no exceptional construction, or even of exceptionally light construction, may escape with partial damage while all about them better buildings are laid in ruins. Furthermore the wind storm damage is not confined to the apparent path of the tornado. In the great St. Louis storm a power house of the Illinois Light & Power Company at East St. Louis was wrecked, although it was considerably out of the general track of the tornado.

Nothing within the path of the storm escaped without some damage. In that

sense the elements made a clean sweep. The mystery is in the total demolition of buildings that were to every appearance more substantial than some that were left partially standing.

One thing that stands out from the St. Louis, Poplar Bluff and Indianapolis experience is the importance of making quick repairs to roofs, if possible. A tornado is almost always followed by heavy rains, and in fact they are quite apt to occur during stormy weather, when rains may recur for several days. If a roof is damaged so as to let in water, the loss is pretty apt to be heavy, even though the original damage appears nominal. If the roof is destroyed or nearly so and the storm is followed by rain, the loss is apt to include everything but the walls and joists. Plastering, trim and flooring may all have to be replaced. Electric light fixtures are apt to be ruined. In brief, everything that can be ruined by water will be ruined and add to the loss.

There were many apartment buildings in the path of the St. Louis tornado. A typical example of loss is an apartment house with an agreed sound value of \$78,000 and adjusted windstorm loss of \$27,000. The losses ranged both ways to light damage to roofs on the one hand and total loss on entire building on the other.

Brick Veneered Buildings Suffered

Brick veneered buildings suffered very heavily. It is well known that the damage done by tornadoes is explosive. The theory of some writers is that a vacuum is formed in the atmosphere and when this vacuum hangs over a building the air on the inside of the building, relieved of the equalizing pressure on the outside, forces out the walls or pushes the roof upward. The floors below the roof may also collapse, apparently from the same force. In the case of a brick veneer building there is an air space between the studding and the layer of bricks forming the exterior part of the wall. In case after case it was found that the brick part of the wall had been pushed outward and fell on its side, without separating the bricks from the mortar. The brick work simply toppled outward and fell flat on the ground and it was necessary to lay up a new exterior. In some of these cases the other

damage to the buildings was comparatively small.

It was found there was a surprising amount of insurance carried in the devastated portion of St. Louis. Tornado insurance was almost universal wherever there was a mortgage on the property. It was curious to observe, however, that the tornado insurance in case after case exactly equaled the amount of the mortgage. In other words, the fact that insurance was carried was not due to the salesmanship of the insurance agent but to the demand of the mortgagee. If there are any agents who feel that they cannot spend time soliciting tornado insurance, they can at least spend time in educating lenders to require tornado insurance, and St. Louis shows that the results will produce premiums in good volume.

Heavy Damage to Contents

Damage to contents was very heavy in St. Louis and Poplar Bluff. An adjuster who handled a large share of the St. Louis losses estimates that not 1 percent of the household goods was insured against tornado. On mercantile risks in the devastated district about 40 percent of the stocks were more or less covered by windstorm insurance, while perhaps 80 percent of the manufacturing and jobbing interests were found to have tornado insurance on contents. Four very high class concerns that suffered serious losses had 100 percent insurance on buildings and contents. These were the Bucks Stove & Range Company, the Ludlow Saylor Wire Company, Langenburgh Grain Company, and Polar Wave Ice Company. It is rather curious to find 100 percent tornado insurance on grain in an elevator. All of these concerns and many others collected substantial sums on their tornado insurance on contents. The Ludlow Saylor Company collected \$78,000.

A power house that was damaged in East St. Louis had two walls pushed out, one at the side and one at the end. There was a large interior space and the roof was supported on steel posts. Curiously enough, the roof was little damaged but the walls toppled outward.

At Poplar Bluff there was more tornado insurance carried to value than in any storm heretofore known. This was

due to the Robinson Agency. The Murphysboro storm of 1926 started near Poplar Bluff, without, however, doing much damage in that community. However, the lesson sunk in and the Robinson Agency thereafter sold tornado insurance with practically all fire policies. Mr. Robinson is as popular with his townspeople as Lindbergh was after his flight to Paris. Scores of his customers can thank him for their escape from ruin.

Public Will Buy If Agents Will Sell

The lesson from the St. Louis and Poplar Bluff losses is that the public will buy if the agent will sell tornado insurance. The Robinson agency at Poplar Bluff showed that the customer need not even be consulted. Mr. Robinson simply included the windstorm insurance with the fire insurance that he handled and the significant point is that this caused no difficulty. Then when the loss came his policyholders were protected and he is a popular hero. In St. Louis the number of business houses that carried full tornado insurance on buildings and contents proved that the public will buy.

In the Indianapolis windstorm loss, on the other hand, the insurance was insignificant. It is true the storm produced a large insurance loss that kept a big staff of adjusters busy for a considerable time. This, however, was due to the widespread area devastated. The small amount of insurance carried was a reproach to the Indianapolis agents. The Murphysboro storm of 1926 was the warning that led to so much insurance at Poplar Bluff. It did no damage at Poplar Bluff but it disturbed the conscience of an agent. The same storm traveled across Indiana, a year before the Indianapolis catastrophe, but apparently did not touch on the brain cells of the Indianapolis agents. As a result hundreds or perhaps thousands of their customers suffered serious loss without indemnity.

The companies of course cannot excuse themselves for the lack of insurance by blaming the agents. Theoretically the field men should be teaching the agents to sell full protection. Actually very little of such teaching is being done.



Tornadoes always begin in the southwest. The one that did this damage got a fearful start, 56 persons being killed in the little town of Rock Springs, Tex., shown here and more than 150 persons injured. Underwood & Underw. photo.



Here are the ruins of a substantial brick bank building at Cornland, Ill. The building belonged to the State Bank of that city and was ruined by one of the storms of last year. Underwood & Underwood photo.

Windstorm Premiums Gained in 1927

PREMIUMS of stock companies on tornado, cyclone and wind storm insurance last year amounted to \$40,355,690 with a loss ratio of 62 percent. The premiums gained a little less than \$4,000,000 during the year or between 8 and 9 percent. Doubtless some of the increase in premiums was due to the heavy destruction of solidly constructed buildings in the St. Louis storm of Sept. 29, but the really surprising thing is that the gain was not larger.

There is little change in the ranks of the ten leaders in tornado insurance. The Firemen's steps up to ninth place from the outside, but otherwise the Big Ten is unchanged as to makeup and very little change in rank. In fact, in

Tornado Insurance Leaders

	1927		1926	
	Premis.	Losses	Premis.	Losses
Hartford	\$2,723,469	\$1,234,295	\$3,366,179	\$1,134,625
Home, N. Y.	2,427,354	1,307,261	2,343,199	823,545
Aetna	1,780,791	712,570	1,722,200	1,323,027
National, Conn.	1,417,523	783,848	1,352,601	336,926
Fidelity-Phenix	1,308,427	1,145,576	1,193,404	391,578
Continental	1,302,325	864,929	1,334,092	517,596
American, N. J.	1,204,442	763,862	1,122,743	278,222
Springfield, F. & M.	1,000,063	615,843	854,581	156,906
Firemen's, N. J.	950,630	432,578	351,345	117,608
St. Paul F. & M.	919,753	295,397	905,654	176,751

the first seven places there is no change at all in rank except that the Fidelity-Phenix overtops its team-mate, the Continental, by \$6,000.

This year figures of a considerable number of mutuals have been gathered and they account for close to \$5,000,000 more in premiums, the exact figure being \$4,757,770. Many of the mutuals failed to respond to requests for their figures and probably the volume of that class was considerably above \$5,000,000. The mutuals that supplied figures show a loss ratio of 55 percent. The figures of some of the mutuals include hail.

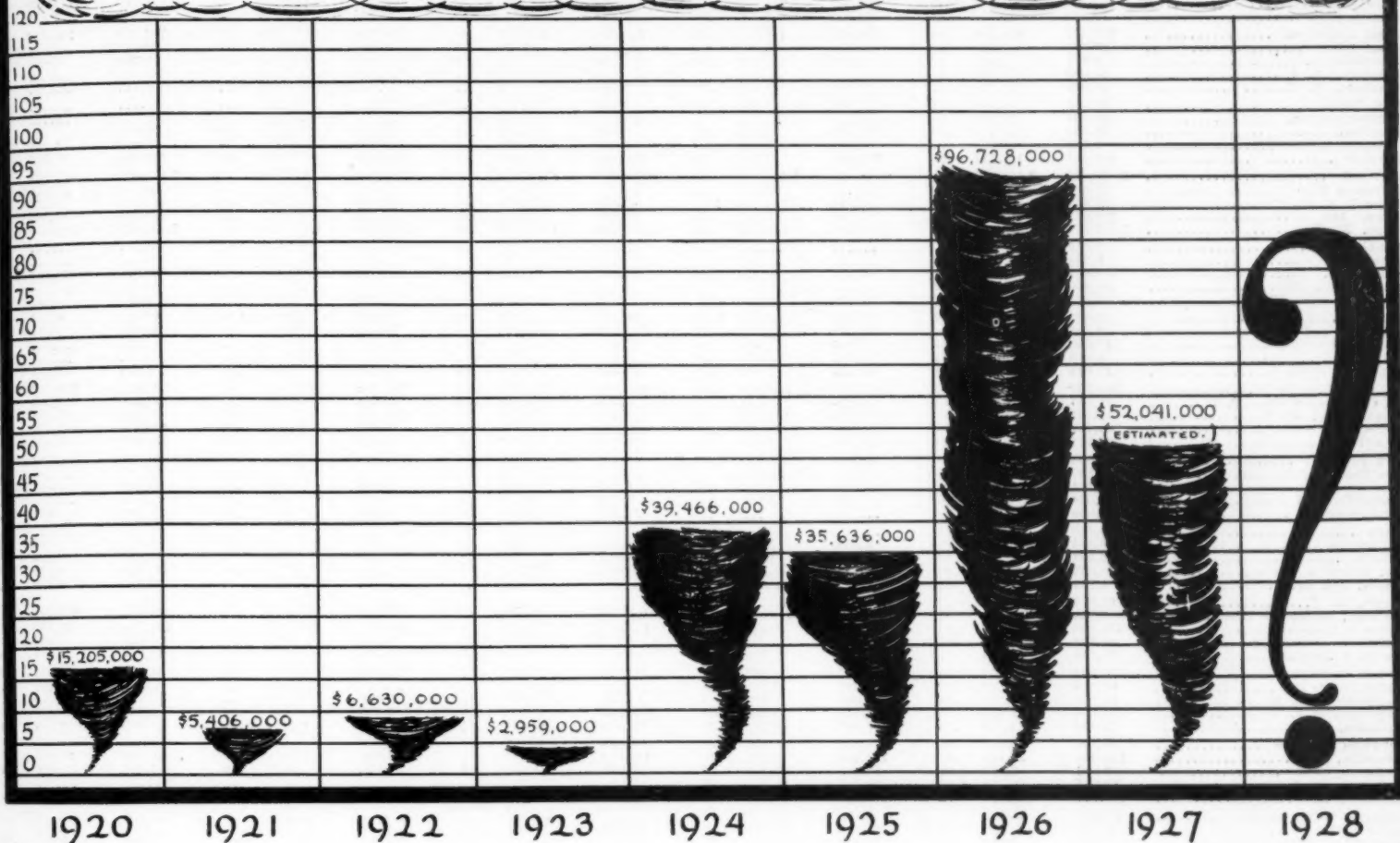
The figures of stock companies are shown herewith in comparative form for five years:

TORNADO, CYCLONE AND WINDSTORM PREMIUMS AND LOSSES OF STOCK COMPANIES

	1927			1926			1925			1924			1923		
	Premis.	Losses	Ratio	Premis.	Losses	Ratio	Premis.	Losses	Ratio	Premis.	Losses	Ratio	Premis.	Losses	Ratio
Aetna	1,780,791	712,570	.40	1,722,200	1,323,027	.77	1,741,765	460,350	.26	1,347,093	487,549	.36	1,238,042	563,846	.45
Agricultural	261,861	112,602	.43	194,435	87,900	.45	164,229	26,522	.16	135,277	46,871	.34	115,000	30,817	.27
Albany	15,976	6,094	.38	13,451	4,089	.31	11,609	1,442	.12	9,665	3,511	.36	8,724	630	.07
Allemania	91,378	47,120	.52	85,573	65,133	.76	74,064	7,958	.11	37,599	8,569	.23	19,106	3,859	.20
Alliance	170,800	84,131	.49	162,423	111,860	.69	146,152	30,134	.21	97,552	26,800	.28	83,177	13,967	.17
Allied, N. Y.	149	...	...	...	...	...	...	...	...	...	...	...	...	...	...
American F. & M.	8,739	651	.07	3,578	340	.10	863	3	...	...	...	...	...	...	...
American, N. J.	1,204,442	763,862	.63	1,122,743	278,222	.25	1,209,842	408,954	.34	779,389	433,957	.56	805,031	227,042	.28
American & Foreign	1,852	36	.02	736	...	...	...	...	...	...	...	...	...	...	...
American Alliance	44,821	19,057	.43	33,243	31,620	.95	31,061	14,102	.45	31,542	15,188	.48	40,006	11,869	.30
American Auto.	560	682	1.21	...	...	...	...	...	...	...	...	...	...	...	...
American Central	225,304	317,577	1.43	332,407	147,440	.44	347,032	139,712	.40	221,209	94,551	.43	262,308	46,915	.18
American Eagle	173,650	57,306	.33	160,133	93,712	.59	324,624	102,583	.32	221,745	106,375	.48	231,277	85,327	.37
American Equitable	49,653	45,124	.91	65,063	102,460	1.61	44,159	2,840	.06	6,850	420	.06	3,639	480	.13
American Founders	1,556	21	.01	1,618	3	...	...	...	...	...	...	...	...	...	...
American Gen. Tex.	2,890	54	.02	...	...	...	...	...	...	...	...	...	...	...	...
American Mer. Mar.	5,788	1,322	.23	...	...	...	...	...	...	...	...	...	...	...	...
American National	20,710	1,228	.06	7,807	1,095	.14	6,087	1,313	.22	6,123	5,240	.86	1,996	5,455	.28
American Reserve	67,737	81,504	1.22	54,312	43,617	.80	...	...	...	...	...	...	...	...	...
American Union	11,232	6,569	.58	10,342	1,864	.18	10,343	1,864	.18	16,399	8,919	.54	8,876	3,463	.39
Atlas	176,538	97,756	.55	148,632	75,948	.50	136,695	42,275	.31	102,957	45,708	.45	143,340	30,199	.21
Automobile	172,209	237,449	1.38	96,253	104,324	1.08	183,237	135,279	.74	382,230	162,288	.42	268,571	15,076	.05
Baltica	52,046	36,132	.69	27,541	14,422	.52	45,806	11,268	.25	27,409	17,461	.63	29,571	7,263	.24
Baltimore American	45,059	13,177	.29	32,048	21,788	.68	19,734	3,442	.17	7,295	1,000	.14	1,699	443	.26
Bankers, N. C.	679	3,683	5.42	1,613	...	...	...	...	...	...	...	...	...	...	...
Bankers & Merchants	22,323	3,217	.14	20,433	6,879	.34	21,906	3,820	.17	21,775	12,121	.56	31,013	5,610	.18
Bankers & Shippers	106,264	190,094	.94	57,807	72,950	1.26	55,830	50,059	.90	30,517	39,338	.97	44,612	8,054	.18
Birmingham, Ala.	10,097	319	.03	5,728	500	.09	1,002	...	...	...	...	...	...	...	...
Boston	233,334	224,596	.96	...	...	...	...	...	...	...	...	...	...	...	...
British American	86,273	1,240	.01	63,590	50,628	.80	66,403	9,632	.15	59,802	5,414	.09	24,595	3,104	.12
British General	61,538	27,513	.45	...	...	...	...	...	...	...	...	...	...	...	...
Buffalo	48,332	232,290	4.81	52,233	10,310	.20	48,873	9,883	.20	44,813	10,538	.24	28,021	4,396	.16
Caledonian	77,424	40,811	.53	60,324	18,536	.30	61,956	46,971	.76	37,666	13,764	.37	40,063	7,884	.20
Caledonian American	10,596	13,268	1.25	10,324	3,073	.30	6,822	2,138	.31	5,434	1,693	.31	4,311	636	.15
California	83,862	35,972	.43	50,203	6,732	.13	45,703	9,503	.21	34,442	10,477	.30	26,820	2,308	.09
Camden	353,287	190,626	.54	344,101	130,758	.38	335,474	104,485	.31	269,115	67,556	.25	233,849	25,022	.11
Capital, Cal.	213	10	.01	...	...	...	...	...	...	...	...	...	...	...	...
Central Federal, Ia.	22,187	...	...	14,717	4,299	.29	13,339	5,606	.42	11,392	3,475	.30	8,159	2,762	.34
Central, Md.	17,269	13,460	.78	11,774	13,141	1.12	...	...	...	...	...	...	...	...	...
Century, N. Y.	99,749	40,188	.40	54,250	14,459	.28	71,336	24,765	.35	46,641	13,320	.28	30,817	4,905	.16
Chicago F. & M.	129,510	46,290	.37	84,012	117,176	1.39	49,224	14,774	.30	28,889	14,573	.50	31,777	22,420	.71
Christiana General	38,194	24,649	.64	3,642	740	.20	1,018	743	.73	6,054	2,400	.39	2,046	1,461	.71
City, Pa.	116,883	187,745	.92	87,075	148,041	1.70	64,679	34,031	.53	58,395	10,391	.18	38,501	4,794	.12
City of New York	38,194	24,649	.64	35,623	16,228	.46	34,229	13,429	.39	23,630	11,688	.49	25,238	1,564	.06
Citizens, Mo.	38,586	28,328	.73	34,829	20,763	.60	27,101	7,020	.26	22,760	8,837	.39	20,508	4,721	.23
Columbia, N. J.	19,068	26,666	1.39	17,284	11,434	.66	12,575	184	.01	4,309	228	.05	3,103	145	.05
Columbian National	65,110	63,294	.97	49,784	6,258	.13	47,331	10,646	.22	32,317	9,959	.31	1,440	6,941	.48
Columbus, Miss.	3,685	310	.08	2,453	309	.12	...	...	...	...	...	...	...	...	...
Commerce, N. Y.	46,592	14,357	.31	30,882	4,824	.16	...	...	...	...	...	...	...	...	...
Commercial Standard, Tex.	8,067	937	.12	4,839	648	.13	...	...	...	...	...	...	...	...	...
Commercial Union, Eng.	212,261	265,054	1.25	373,813	117,288	.31	367,584	190,154	.52	262,817	255,295	.97	311,253	109,060	.35
Commercial Union, N. Y.	53,734	64,713	1.21	71,678	45,482	.63	76,441	22,649	.30	49,252	49,582	1.01	46,910	18,336	.39
Commonwealth	151,613	45,296	.30	133,352	64,771	.49	119,583	60,103	.50	81,458	15,644	.19	69,510	13,172	.19
Commonwealth, Kan.	3,908	202	.05	...	...	...	...	...	...	...	...	...	...	...	...
Concordia	83,497	153,384	1.84	117,189	244,223	2.08	192,849	54,216	.28	133,335	49,708	.37	117,363	33,478	.28
Connecticut	446,026	275,462	.62	436,144	209,184	.48	190,439	208,255	1.09	554,113	392,639	.71	591,447	255,662	.43
Consolidated	46	58	1.26	...	...	...	...	...	...	...	...	...	...	...	...
Continental	1,302,325	864,929	.66	1,334,092	517,596	.39	1,622,819	530,914	.33	1,097,018	567,357	.51	1,153,467	502,976	.44
County, N. H.	20,068	25,718	1.28	20,632	2,058	.10	20,884	2,300	.11	14,277	2,610	.18	10,144	861	.08
Detroit F. & M.	87,023	21,527	.25	74,436	23,325	.31	59,511	6,912	.12	31,522	4,767	.15	26,838	2,278	.08
Detroit National	8,186	1,264	.15	6,730	345	.05	6,259	811	.13	3,429	639	.19	1,549	194	.13
Delaware	24,148	9,074	.38	16,211	23,325	1.43	11,025	476	.04	...	...	...	...	...	...
Dixie Fire	45,276	12,895	.28	58,971	48,762	.83	19,300	3,626	.19	11,737	2,177	.18	11,599	3,344	.29
Dubuque F. & M.	124,079	93,468	.75	112,467	8,487	.08	114,111	47,344	.41	77,974	24,431	.31	67,686	12,849	.19
Eagle, N. J.	82,363	38,259	.47	37,636	21,465	.57	51,531	8,669	.17	13,232	12,251	.92	20,454	7,064	.35
Eagle, N. Y.	19,906	9,658	.48	19,778	12,031	.61	19,300	1,699	.09	12,638	487	.04	3,465	...	...
Eagle Star & B. D.	116,338	55,513	.48	72,112	44,892	.62	54,809	9,802	.18	36,326	17,379	.48	76,221	15,745	.20
East & West	42,203	26,229	.62	37,895	3,122	.08	33,584	6,880	.20	23,592	10,010	.42	7,165	61	.01
Eastern Sh. of Va.	18	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Employers Cas.	4,269	25	.00	...	...	...	...	...	...	...	...	...	...	...	...
Employers, Mass.	27,258	14,661	.54	21,565	7,478	.35	20,599	3,386	.16	13,140	1,535	.12	7,865	4,945	.62
Equitable F. & M.	89,205	55,092	.62	87,229	41,810	.48	176,800	38,609	.22	26,929	12,727	.47	24,885	5,210	.21
Equitable, B. C.	722	492	.68	808	98	.14	4,052	278	.07	1,651	681	.41	...	...	...

PROPERTY DAMAGE IN THE UNITED STATES FROM WINDSTORM AND TORNADO

[LATEST AVAILABLE U.S. WEATHER BUREAU FIGURES]



Less Last Year But How About This Year?

WINDSTORM losses are unpredictable as to place and amount. Who in 1925 would have the temerity to suggest that the 1926 Windstorm loss would be two and one half times the 1925 figure—or who was prophet enough to forecast the St. Louis tornado of 1927?

The figures in the chart above tell their own story—why not cut along the line above—paste the chart in your window and let the pedestrians guess as to what **THIS** year's total will be. We will announce the amount in next year's Tornado Number.

And by the way—why not write the Queen about an agency—you'll find an agency with this company eminently worth while.

QUEEN

Ins. Co. of America

INCORPORATED IN NEW YORK STATE 1891

Capital, \$5,000,000.00

HEAD OFFICE AND EASTERN DEPT:
150 William Street, New York City

Western Department
F. P. HAMILTON, Mgr.
CHICAGO

Southern Department
S. Y. TUPPER, Mgr.
ATLANTA

Pacific Coast Dept.
H. R. BURKE, Mgr.
SAN FRANCISCO

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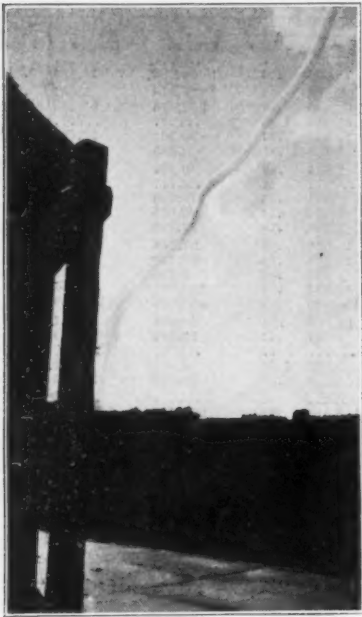
	1927			1926			1925			1924			1923		
	Premia	Losses	Loss Ratio	Premia	Losses	Loss Ratio	Premia	Losses	Loss Ratio	Premia	Losses	Loss Ratio	Premia	Losses	Loss Ratio
George Washington	7,173	452	.06	6,403	306	.05	6,010	578	.10	4,051	62	.01	1,904	439	.23
Georgia Home	14,937	9,463	.63	11,058	27,130	2.47	8,814	2,477	.28	4,253	88	.02	.....	.....	.....
Girard F. & M.	44,891	54,321	1.21	120,236	51,223	.43	64,003	19,059	.29	69,121	28,196	.41	63,387	8,049	.13
Glens Falls	358,402	156,326	.44	303,699	87,302	.28	278,421	65,544	.24	194,817	52,813	.27	184,501	32,419	.18
Globe, Pa.	2,743	1,166	.43	—7,741	45	..	1,463	26,685	..	9,447	2,615	.27	9,515	1,699	.18
Globe & Rutgers	522,470	415,171	.79	610,602	715,199	1.17	408,774	192,394	.41	249,343	173,153	.70	377,623	118,380	.31
Granite State	20,870	10,228	.49	21,828	2,227	.10	25,898	2,622	.10	17,958	3,534	.20	12,660	2,321	.18
Great American	873,477	424,643	.49	336,846	143,497	.43	823,414	322,953	.39	588,176	357,120	.61	797,916	285,203	.36
Great Lakes	25,464	8,307	.33	17,272	6,850	.34	12,330	2,385	.19	19,337	2,615	.13	10,652	1,539	.14
Greensboro	6,877	2,411	.35	5,382	520	.10	5,284	398	.08	3,235	62	.02	2,759	439	.16
Guardian, N. Y.	55,400	25,343	.46	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Guaranty, R. I.	18,935	39,229	2.07	14,161	10,600	.75	3,386	4	..	.....	.....	.....	.....	.....	.....
Gulf, Texas	40,158	5,530	.14	23,746	3,060	.13	2,483	.....	.....	.....	.....	.....	.....	.....	.....
Hamburg-Amer.	40,209	10,302	.26	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Hamilton	31,879	15,808	.50	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Hampton Roads	—1,482	2,491	..	3,591	.....	.....	7,097	7,390	1.04	13,664	3,271	.24	10,771	16	..
Hanover	278,242	148,739	.53	232,049	83,999	.36	240,904	111,594	.46	195,070	65,188	.33	100,254	40,017	.40
Hartford	2,723,400	1,234,295	.45	3,360,170	1,134,625	.34	3,572,752	1,147,090	.32	2,390,572	879,958	.38	2,407,222	839,959	.35
Harmonia Fire	23,044	7,499	.33	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Home F. & M., Cal.	83,339	58,454	.68	72,944	104,614	1.43	97,945	18,979	.19	39,046	17,188	.43	34,825	8,285	.24
Home, Ark.	168,612	76,489	.46	123,594	40,403	.32	96,560	32,415	.34	70,788	28,262	.40	116,421	12,183	.11
Home, N. Y.	2,427,354	1,307,261	.54	2,343,199	823,545	.35	2,210,890	1,112,247	.50	1,888,071	1,159,011	.61	1,909,622	964,035	.50
Homeland	.....	16	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Homestead	9,285	463	.05	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Hudson	138,837	71,209	.51	99,571	49,971	.50	101,861	35,927	.35	67,396	2,030	.16	59,457	14,918	.25
Hurst Home, Ky.	34,844	20,846	.60	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Ill. Motor Cas., Ill.	29,117	12,168	.42	21,229	1,124	.05	17,855	3,228	.18	12,385	2,030	.16	8,924	517	.06
Imperial	46,333	40,435	.87	31,167	42,825	1.38	34,695	5,722	.16	8,075	10,334	1.30	47,027	6,936	.15
Importers and Exporters	54,405	66,384	1.20	30,429	12,719	.42	34,288	8,838	.26	54,458	15,458	.28	16,097	2,371	.15
Independence, Pa.	18,600	17,706	.95	13,836	1,316	.09	.....	.....	.....	.....	.....	.....	.....	.....	.....
Indiana	13,655	3,288	.24	8,441	1,305	.15	.....	.....	.....	.....	.....	.....	.....	.....	.....
Industrial, Ohio	1,914	14	.00	16,495	2,266	.14	17,481	3,319	.19	11,735	1,100	.09	6,111	888	.15
Ins. Co. of North America	886,380	589,387	.66	808,192	333,970	.41	916,376	345,636	.38	768,732	447,942	.58	805,888	268,986	.33
Ins. Co. State of Pa.	91,435	59,695	.65	77,273	30,172	.39	74,319	44,817	.60	49,564	26,202	.53	74,379	21,216	.28
International, N. Y.	64,531	115,141	1.78	109,910	103,820	.94	125,404	31,718	.25	109,409	26,922	.25	71,835	25,621	.36
Inter-Ocean Reins.	224,781	51,078	.23	280,199	48,121	.17	84,810	38,284	.45	78,655	23,674	.30	129,543	12,189	.09
Iowa Fire	21,271	2,533	.12	24,747	2,003	.08	29,373	12,557	.43	24,473	9,500	.39	24,472	1,453	.06
Iowa National	39,993	3,448	.09	40,865	2,083	.05	46,226	10,802	.23	34,945	11,650	.33	41,116	2,504	.06
Iowa State	188,809	124,932	.66	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Iroquois, Ill.	3,124	1,289	.41	2,526	1,188	.47	2,751	1,209	.44	1,209	500	.39	1,297	—57	..
Jupiter General	7,568	4,225	.56	473	19,439	..	9,937	4,522	.46	26,156	631	.03	.....	.....	.....
Knickerbocker	48,938	34,191	.70	.....	.....	.....	30,996	1,766	.06	4,756	200	.04	106	281	..
Kyodo	31,448	5,575	.18	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
La Fayette	6,376	419	.07	4,868	3,109	.63	3,322	409	.12	4,770	494	.10	7,861	835	.11
La Salle	14,004	801	.06	6,748	4,192	.62	4,871	29	..	—667	266	..	3,290	93	.03
Law, Union & Rock	58,091	32,107	.55	53,041	44,408	.84	44,687	11,231	.25	28,638	4,716	.16	25,045	4,839	.19
Liberty, Mo.	2,122	14,997	7.06	.....	.....	.....	.....	.....	.....	.....	.....	.....	31,515	4,720	.15
Lincoln, N. Y.	67,872	87,747	1.29	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Liverpool, London & Globe	683,355	345,984	.51	508,751	493,841	.97	493,452	186,167	.38	417,560	258,034	.62	466,051	191,380	.41
London & Lancashire	175,453	138,208	.79	182,799	66,324	.36	143,624	19,738	.14	106,857	25,961	.24	104,166	26,731	.26
London & Provincial	20,650	13,904	.67	13,898	18,441	1.33	9,416	4,846	.51	5,140	552	.11	5,663	963	.17
London & Scottish	21,754	32,549	1.50	22,476	39,856	1.77	16,774	2,518	.15	13,571	990	.07	11,025	1,095	.10
London Assurance	92,264	54,151	.59	81,947	23,582	.29	95,181	33,355	.35	62,657	16,295	.26	56,983	12,369	.22
Lumbermen's, Pa.	69,215	24,621	.36	32,737	19,545	.60	.....	.....	.....	.....	.....	.....	.....	.....	.....
Manhattan F. & M.	17,728	13,231	.75	11,008	378	.03	10,865	797	.07	909	.....	.....	.....	.....	.....
Massachusetts F. & M.	11,436	3,584	.31	8,148	11,600	1.42	8,615	704	.08	4,450	191	.04	2,674	127	.05
Mechanics, Pa.	72,656	54,822	.75	104,685	43,851	.42	69,576	14,986	.21	47,043	11,327	.24	34,713	4,545	.13
Mechanics Traders	89,793	34,453	.38	71,623	22,176	.31	75,155	12,607	.17	46,334	22,762	.49	49,869	8,385	.17
Mercantile, N. Y.	134,004	54,355	.41	123,539	25,265	.20	129,853	19,280	.15	87,098	23,634	.27	71,293	15,352	.21
Merchants, Colo.	20,916	5,609	.27	17,004	3,761	.22	19,852	1,383	.07	11,225	3,667	.33	7,621	408	.06
Merchants, R. I.	37,255	47,162	1.26	26,414	26,046	.98	.....	.....	.....	.....	.....	.....	.....	.....	.....
Merchants, N. Y.	134,151	165,877	1.23	117,469	47,431	.40	95,156	15,574	.16	42,524	15,306	.36	54,422	8,814	.16
Merchants Natl., N. D.	37,256	47,162	1.26	3,986	420	.10	.....	.....	.....	.....	.....	.....	.....	.....	.....
Mercury, Minn.	47,602	42,489	.89	32,436	65,988	2.03	11,892	4,584	.37	.....	.....	.....	.....	.....	.....
Metropolitan National	1,819	4,301	2.37	14,858	4,721	.32	.....	.....	.....	.....	.....	.....	.....	.....	.....
Michigan F. & M.	62,200	10,320	.17	51,895	59,474	1.14	48,334	2,734	.06	39,311	16,367	.41	9,099	1,352	.15
Millers National	88,194	30,171	.34	63,477	5,497	.09	72,695	11,335	.16	40,616	16,367	.41	45,392	16,497	.36
Milwaukee Mechanics	248,902	223,128	.90	275,838	226,082	.82	292,438	122,774	.42	206,383	67,204	.34	191,948	34,337	.18
Minneapolis F. & M.	86,992	47,689	.55	74,698	17,912	.24	87,177	36,816	.42	62,331	65,331	.85	70,155	1,888	.03
Minnesota	8,198	711	.09	8,935	836	.09	6,044	1,332	.22	7,395	1,887	.25	3,298	468	.14
Mississippi	12,742	5,280	.41	12,951	7,343	.57	16,693	8,808	.52	41,170	32,587	.79	41,382	43,289	1.05
National American	55,950	7,076	.13	55,744	7,311	.13	59,111	18,028	.30	43,733	25,075	.57	39,742	6,001	.15
National Ben Franklin	.....	.....	.....	114,312	38,920	.34	109,630	12,338	.11	75,887	11,565	.15	60,588	11,222	.19
National, Conn.	1,417,523	783,488	.55	1,352,601	336,926	.25	1,462,003	665,992	.46	1,077,660	653,264	.61	1,118,134	385,021	.35
National Liberty	427,671	672,213	1.57	374,939	149,962	.40	375,472	108,599	.29	291,208	74,895	.26	228,341	44,867	.19
National Reserve	68,268	125,011	1.82	46,391	1,795	.04	45,661	3,406	.07	21,276	3,992	.19	16,476	585	.04
National Security	35,258	7,718	.22	42,506	4,940	.12	43,107	19,360	.45	32,056	9,776	.30	32,289	2,264	.07
National Union	446,424	351,539	.79	472,335	159,057	.34	530,257	206,936	.39	221,228	153,085	.69	33,012	175,775	.53
National Standard	221	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Netherlands	28,149	60,202	2.14	29,788	10,347	.35	25,167	5,267	.21	18,796	4,596	.24	12,439	4,648	.37
Newark	110,658	107,160	.97	93,895	8,843	.09									

(CONT'D FROM PRECEDING PAGE)

	1927			1926			1925			1924			1923		
	Premia.	Losses	Ratio	Premia.	Losses	Ratio	Premia.	Losses	Ratio	Premia.	Losses	Ratio	Premia.	Losses	Ratio
Provident	5,882	1,156	.37	5,425	1,824	.33	104,750	16,504	.16	86,324	18,508	.23	50,556	10,416	.21
Prudential Re. & Co.	166,773	55,549	.33	187,719	119,534	.64	24,304	4,629	.19	13,662	6,143	.43	19,826	3,937	.20
Prudential, England	34,447	14,846	.43	41,321	56,543	1.37	306,036	137,190	.45	238,248	92,446	.39	237,370	80,205	.34
Queen	39,626	11,958	.30	44,044	9,837	.22	73,324	22,459	.31	64,358	23,768	.37	70,562	35,764	.51
Queen City	94,205	58,737	.62	101,789	112,811	1.11	1,663	353	.21	1,111	459	.41	2,875	81	.04
Reinsurance, Salamandra	2,724	1,243	.46	1,916	144	.08	39,362	22,267	.57	25,527	2,411	.09	8,107	1,287	.16
Reliance, Ohio	37,185	26,574	.71	31,904	16,512	.52	31,621	14,367	.45	27,813	2,824	.10	15,005	1,515	.10
Reliance, Pa.	2,324	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Reliance, Corp. of America	13,239	15,943	...	33,970	30,843	.91	78,550	16,713	.21	60,252	8,476	.14	62,075	10,582	.17
Republic, Pa.	110,970	71,130	.64	99,845	35,538	.35	15,127	1,218	.08	13,280	2,406	.18	11,226	1,902	.17
Republic, Texas	...	...	...	19,449	70,230	3.61	31,770	11,072	.35	38,104	10,081	.26	27,118	9,711	.36
Retailers, Okla.	...	...	...	27,668	24,241	.88	106,674	26,914	.25	72,874	23,184	.32	68,180	13,521	.20
Richmond, N. Y.	56,089	9,575	.17	102,675	40,811	.40	7,436	1,019	.14	6,554	360	.05	2,485	515	.20
Rhode Island	102,736	122,737	...	5,631	1,782	.32	202,610	60,469	.30	160,139	45,953	.28	121,682	30,358	.25
Rocky Mountain	2,548	792	.31	218,268	220,825	1.01	657,785	173,199	.26	616,173	403,420	.65	544,853	175,729	.32
Rossia	282,767	354,928	...	457,870	237,074	.52	78,782	9,875	.13	56,342	16,964	.30	60,023	15,647	.26
Royal	556,526	386,507	.69	88,886	33,869	.38	35,591	3,651	.10	19,100	9,861	.52	17,517	4,009	.23
Royal Exchange	105,037	75,411	.72	28,010	16,645	.59	...	...	...	...	...	...	...	...	...
Safeguard	49,665	31,650	.64	708	...	...	6,753	551	.08	1,206	2,372	1.98	4,585	639	.14
Safety First, Ill.	1,121	15	.00	6,919	5,004	.72	140,737	38,964	.28	100,225	33,123	.33	98,428	23,092	.24
Savannah	7,128	9,375	.98	145,364	41,411	.28	...	...	...	...	...	...	...	...	...
Scottish Union & Natl.	164,521	89,187	.54	...	...	...	...	...	...	...	...	...	...	...	...
Seaboard, Md.	3,152	62	.00	327,956	119,289	.36	336,209	160,650	.48	206,587	149,406	.72	265,991	99,559	.37
Security, Conn.	346,209	569,173	...	76,373	7,508	.10	95,978	24,470	.25	77,665	28,116	.36	73,582	7,280	.11
Security, Iowa	83,825	15,985	.19	...	...	...	...	...	...	...	...	...	...	...	...
Sentinel, Mass.	10,186	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Sentinel, Natl.	20,062	3,085	.15	...	...	...	...	...	...	...	...	...	...	...	...
Security Union	9,547	46	.00	...	...	...	...	...	...	...	...	...	...	...	...
Skandia	30,043	30,300	...	35,632	21,217	.60	36,625	4,120	.11	13,009	9,874	.76	17,063	3,822	.22
Scandinavia	8,754	4,678	.53	6,973	6,386	.92	18,609	4,413	.24	33,622	11,582	.34	28,860	17,582	.61
South British	—64	1,211	...	—9,871	1,661	.17	8,596	856	.10	8,711	1,860	.21	5,671	723	.13
South Carolina	5,386	2,287	.42	3,671	1,828	.50	2,982	364	.12	5,455	1,019	.19	2,140	1,304	.61
Southern, N. Car.	3,879	483	.12	1,218	...	...	...	...	...	...	...	...	...	...	...
Southern Home	30,728	21,474	.70	20,884	21,315	1.02	26,912	1,990	.07	13,588	4,228	.31	9,599	863	.09
Springfield F. & M.	1,000,063	615,843	.62	854,581	156,906	.18	861,554	272,497	.32	617,849	312,545	.51	710,403	303,740	.42
St. Paul F. & M.	919,753	295,297	.32	905,654	176,751	.19	955,253	464,298	.49	632,396	586,626	.90	677,161	239,597	.35
Standard, Conn.	52,399	46,616	.89	38,929	22,010	.57	41,403	10,163	.25	25,038	9,227	.37	21,576	3,087	.14
Standard Amer., Ill.	13,797	2,562	.19	15,126	1,559	.10	...	...	...	...	...	...	...	...	...
Standard, N. J.	48,870	23,852	.49	31,196	1,779	.01	30,656	2,864	.09	17,451	3,097	.18	10,162	682	.07
Standard, N. Y.	30,371	4,920	.16	12,189	4,935	.41	8,017	1,188	.14	5,548	...	...	24,771	300	.01
Star, N. Y.	128,580	64,842	.50	94,933	92,314	.97	105,691	33,723	.32	80,107	28,898	.36	74,117	15,322	.21
State, England	48,361	27,638	.57	43,953	41,211	.94	33,731	4,431	.13	28,358	7,252	.26	16,634	2,623	.16
Sterling	...	...	...	...	...	...	75,561	24,623	.33	51,649	29,788	.58	43,520	2,833	.06
Stuyvesant	32,781	30,872	.94	46,464	41,523	.89	36,707	6,304	.17	28,543	4,198	.15	13,006	6,079	.47
Sun	147,850	101,967	.70	150,374	31,143	.21	157,066	71,296	.45	110,510	40,574	.37	109,199	23,661	.22
Superior	86,580	62,692	.72	87,877	89,221	1.02	69,262	13,908	.20	58,707	10,077	.17	45,779	7,668	.17
Swiss Reinsurance	182,482	139,519	.76	182,562	101,947	.56	80,637	23,944	.30	51,503	15,303	.30	47,783	14,387	.30
Sylvania	23	4	.17	...	...	...	...	...	...	...	...	...	...	...	...
Takio M. & F.	63,081	49,556	.79	37,516	48,516	1.29	39,757	4,309	.11	20,771	2,802	.13	25,970	3,768	.15
Transcontinental, N. Y.	22,644	2,440	.11	12,542	12,406	.99	...	...	...	...	...	...	...	...	...
Travelers Fire	340,640	6,468	.02	261,982	144,823	.55	50,264	...	...	...	...	...	...	...	...
Trinity Fire	32,363	2,094	.06	...	...	...	...	...	...	...	...	...	...	...	...
Twin City	39,939	27,931	.70	56,993	7,036	.12	73,800	26,903	.36	100,147	122,535	1.12	61,399	21,708	.35
Union, England	96,273	62,831	.65	97,925	29,496	.30	49,285	34,622	.70	49,285	14,527	.30	55,000	6,267	.11
Union & Phenix, Espanol	16,045	20,518	...	32,539	83,490	...	...	...	...	...	...	...	...	...	...
Union Ind.	6,573	6,322	.96	3,421	12,112	3.55	...	...	...	...	...	...	...	...	...
Union of Canton	...	...	...	133,981	124,470	.93	85,230	15,233	.18	41,589	32,794	.79	117,067	16,592	.14
United American	13,388	3,920	.29	10,590	5,678	.54	10,349	397	.04	5,961	257	.04	1,073	62	.06
United Firemen's	38,062	41,677	...	34,615	44,355	1.28	32,326	7,193	.22	17,595	4,482	.25	13,281	844	.06
United States Fire	771,291	275,748	.36	625,914	239,925	.38	683,889	337,429	.49	510,216	284,057	.56	452,562	127,087	.28
U. S. Merchants & Shippers	96,823	50,048	.52	50,009	44,402	.89	42,501	8,390	.20	30,831	3,110	.11	14,437	10,861	.76
Utility	6,300	105	.02	...	...	...	...	...	...	...	...	...	...	...	...
Urbaine	140,218	85,994	.61	133,148	195,354	1.46	70,302	12,164	.17	40,312	14,224	.35	57,114	10,859	.19
Utah Home	6,809	3,107	.46	4,790	360	.08	4,718	883	.19	2,637	1,050	.40	1,915	238	.12
Victory	37,185	26,574	.71	40,045	15,004	.37	27,204	12,065	.44	29,084	3,212	.11	6,546	2,735	.42
Virginia F. & M.	35,675	4,890	.14	23,168	13,776	.59	16,840	1,931	.11	10,334	1,525	.15	5,612	1,369	.24
Washington Assur.	13,275	9,991	.75	...	...	...	...	...	...	...	...	...	...	...	...
Westchester	338,974	349,632	.97	342,686	188,585	.55	383,872	205,875	.54	461,406	187,982	.41	278,227	104,953	.38
Western, Kans.	1,892	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Western, Canada	107,028	35,823	.33	82,530	40,755	.49	96,909	15,208	.16	107,786	10,948	.10	41,056	11,103	.27
Wheeling, Mass.	1,922	2,843	.27	6,574	3,278	.50	5,892	3,429	.58	3,742	632	.17	1,149	137	.12
World Auxiliary	—3,000	3,848	...	13,293	6,247	.47	15,732	1,605	.10	8,795	2,957	.34	9,247	2,404	.26
World F. & M.	73,850	18,186	.25	55,495	38,036	.68	48,161	2,986	.06	12,285	203	.02	...	...	...
Yorkshire	105,296	69,522	.66	69,489	92,204	1.33	52,468	24,288	.46	24,840	5,067	.20	20,533	7,415	.36
Total	\$40,355,090	\$25,449,677	.63	\$36,536,162	\$17,218,915	.47	\$30,403,287	\$13,206,250	.43	\$27,265,916	\$13,398,229	.49	\$27,261,915	\$9,100,882	.33

TORNADO, WINDSTORM AND CYCLONE EXPERIENCE OF MUTUALS IN 1927

	Premia.	Losses	Ratio		Premia.	Losses	Ratio		Premia.	Losses	Ratio		Premia.	Losses	Ratio
Abington M. Mass.	607			Tor. Wis.	132,418	110,028	.80	Mill Own. Mut., Ill.		6,194		Retail Merc. M. Ill.	5,614	172	.03
Alliance Coop. Kan.	32,888	\$ 8,853	.27	Hope Mut. R. I.		6,547		Mill Own. Mut. Ia.	85,146	29,913	.35	Retail Merc. M. Ia.	5,388	122	.02
Amer. Mut. R. I.	461	9,115		Ill. M. F. Und., Ill.	8,810	2,149	.24	Minn. Farm. Mut.	229,922	48,438	.21	R. I. Mut.	801	15,192	..
Amer. Mut. Ind.	17,100	9,470	.55	Imp. Dir. M. N. D.	5,178	36		Minn. Imp. Mut.	72,284	18,653	.26	Rub. Mfrs. M., Mass.	274	5,236	..
Austin Mut., Minn.	49,279	15,188	.31	Ind. Lmb. Mut., Ind.	54,214	37,282	.69	Mutual Fire, Ky.	4,396	360	.08	St. Paul Mut., Minn.	124,585	15,605	.13
Berkshire M., Mass.	2,916	267	.09	Indust. Mut., Mass.	37	2,726		Mutual Fire, Md.	1,159	18		Security Mut. Minn.	13,194	244	.02
Blackstone M., R. I.	574	15,719		Int. A. In. Ex. Wis.	12,643	3,670	.29	Mutual Fire, Chester				Security Mut., N. Y.	340	1,661	.11
Bos. Mfrs. M., Mass.	38,195	38,195		Iowa Mut.	82,408	46,892	.57	Co. Pa.	16,723			Southern. Kansas Mut.	20,658	18,565	.90
Cambridge M., Mass.	1,022			Iowa Auto. Mut.	3,368	9		Mut. Ins. Corp., Ill.	926	171	.18	Southern. M. Fire, Tex.	3,445	149	.04
Capital Mut., Neb.	10,488	1,543	.19	Iowa Imp. Mut.	5,363	2,794	.44	Narrag'sett M., R. I.	9,386	3,886		Standard Mut.,		1,082	
Cent. Mfrs. Mut. O.	55,727	13,572	.26	Iowa Mut. Tor.	158,412	158,412	1.00	Nat. Fire, Tor.	43,377	12,433	.43	State Mut., Minn.	168,000	123,325	.73
Chem. Mut. N. Y.	197	105	.53	Iowa State Mut.	187,809	124,932	.67	Nat. Jewel. M., Wis.	656	6		State M. Cyc. Mich.	321,081	282,627	.88
Citiz. Fd. M., Minn.	13,712	3,338	.24	Keystone Mut., Pa.		2,655		Nat. Lmb. Mut., Ill.	5,946	3,742	.63	State Mut., R. I.	961	18,231	..
Citizens Mut., Wis.	7,389	225	.31	LaCrosse Mut., Wis.	325	12	.04	Nat. M. Assur. Pa.		455		Tenn. Farmers Mut.	6,366	10	..
Coal & Woolen Mfrs.				Lmbrmen's Mut. O.	36,662	14,625	.40	Nat. M. Church, Ill.	17,513	14,839	.84	Texas Hdwe. Mut.	2,022		
Mut. Mass.	302	5,463		Number Mut. Mass.	11,192	265	.02	Nat. Retail. M., Ill.	1,013	1,013		Tex. Mut. Tor.	7,372	1,125	.15
Drug. Mut. S. D.	150	1		Mansfield Mut. O.	636	213	.34	Neb. Mut.		13,076		Traders Mut., Ill.	1,418	79	.06
Druggists Mut., Ia.	7,289			Manton Mut., Pa.		2,334		N. Y. Cent. Mut.	118			Tri-State Mut. Grain			
Dwell. Hae. M., Neb.		1,427		Mfrs. Mut. R. I.	801	15,192		N. W. Mut., Wash.	105,444	21,002	.40	Dira., Minn.	6,294	167	.03
Enterprise M., R. I.	461	9,115		Mechan. Mut., R. I.	480	9,115		Ohio Hdwe. Mut.	12,449	4,814	.39	Union Fire, Neb.	133,663	28,455	.21
Evangelical M., S. D.	25,863	3,327	.13	Mercantile M., R. I.	111	6,542		Ohio Millers Mut.	2,627	1,641	.63	Union Mut., R. I.	406		
Fall Riv. Mfrs. Mut.				Merch. Mut., Tex.	291			Ohio Mut. Tor. Cyc.				Union Mut., Ohio.	39		
Mass.		8,739		Merch. & Mf. M., O.	1,747	17		& Windstorm.	109,212	51,412	.47	United Mut., Mass.	11,304	3,613	.32
Farmers All. Kan.	135,504	41,103	.30	Mercantile M., R. I.	111	6,542		Ohio Und. Mut.	4,176	3,329	.80	West. Mill. M., Mo.	19,744	4,601	.23
Farmers M. Hall, Ia.	*1,190,954	*717,652	.60	Merch. Mut., R. I.	350	9,363		Paper Mill M., Mass.		2,767		West. Gr. Dir. M., Ia.	12,067	1,169	.10
Fid. Mut., Ind.	1,463	6,912		Merch. Mut. S. D.	478	67		Pawtucket M., R. I.	1,320			What Cheer M., R. I.	1,067	6,675	
Fid. Mut., Ind.	1,463	33,967	.23	Merch. Mut. S. D.	478	67		Penn. Mut., Pa.	7,676	925	.12	Wash. Trm. M. Hall			
Fitchburg M., Mass.	2,017	381	.19	Merrimack M., Mass.	5,236	544	.12	Penn. Natl. Hdwe.	2,291	710	.31	Wis. Cyc.	*113,102	\$6,505	.56
Glen Cove M., N. Y.	1,118	621	.56	Mich. Millers Mut.	68,984	20,620	.30	Pa. Millers Mut.	727			Wis. Tornado Mut.	66,130	21,359	.32
Gr. Dira. Mut. Mass.	858	154	.18	Mich. Mut. Windat.	400,651	258,193	.64	Perpetual Mut., Ill.	2,594	1,433	.55	Worc. Mfr. M., Mass.		9,196	..
Gr. Dira. Natl. Ind.	76,450	22,235	.29	Mich. Shoe. Dira.	879	18	.02	Phila. Mfrs. Mut.		6,801		Totals			
Groom M. Har. Tex.				Millers Mut., Ill.	48,192	13,639	.28	Republic Mut., Kan.	50,488	4,864	.10	*Halls and windstorm.	*4,767,770	\$2,610,669	.55
Hdwe. Dira. M. Wis.	68,986	15,765	.23	Merch. Mut. Tor.	20,620	308	.01	Retail Merc. M., Minn.	25,925	13,516	.52	*Halls and cyclones.			
Mut. Mass. Hall &				Millers Mut. Tex.	35,267	14,481	.41								



Here is a curious picture of a tornado taken at Jasper, Minn. The famous funnel shaped cloud is here little more than a tube. The ground terminal, however, did business in the usual way.

According to W. J. Humphries of the United States weather bureau, no structure yet created by man can withstand the terrific destructive force of a tornado.

"The wind bloweth where it listeth, and thou hearest the sound thereof but canst not tell whence it cometh and whither it goeth."

Use and occupancy insurance against windstorm is necessary.

Details of Hail Loss Adjustments

(CONTINUED FROM PAGE 20)

very much less than was originally apparent, in fact, frequently wheat mowed off at this stage of growth with plenty of wet weather following will make a big crop.

There can be no objection to an early inspection of an early loss, in fact, early inspection is advantageous, but unless the adjuster knows, after making inspection, that no loss has been sustained, the adjustment should be deferred. If no loss was sustained a release should be taken.

Some of those newspaper stories reciting that so and so was paid for a total loss by hail on his wheat field just threshed averaging 40 bushels per acre, threshing machine measure, are undoubtedly accounted for by too quick adjustments of the "early loss." The safe and fair way to both the insured and company is to defer adjustment until the actual loss can be determined.

Adjustments on Wheat at Later Stages

Take a loss to wheat in the boot. This kind of a loss has been the cause of considerable dispute with claimants. Subsequent weather conditions undoubtedly have a bearing on the actual percentage of loss sustained. The fact that even good adjusters differ in their opinion as to the resultant loss seems to be conclusive evidence that the loss should be deferred until such time as it is possible to separate the real damage from the apparent damage. Therefore if there is a question in your mind as to the actual percentage of loss it is advisable that the adjustment be deferred.

For wheat headed but not in late milk or early dough, the percentage of loss is obtained by counting the number of broken straws in a count of one hun-

dred plus shatter loss, if any, providing no damage from other causes is present. At this stage of growth there can, of course, be no salvage.

Beginning at the time the wheat is in the late milk or early dough, all broken straws are not necessarily a total loss, consequently, proper salvage deduction should be made. The percentage of broken straws that will be gathered depends upon the kind of harvesting machinery used. The value of the broken straws gathered will depend upon the stage of growth, and the salvage claimed should depend upon the stage of growth and the height of the breaks. If the grain is ripe, then no loss should be allowed simply because the straw was broken, if it can be gathered by the harvesting machinery used.

Shatter losses some years are very heavy, but there are many causes besides hail that cause shatter and when determining the amount of shatter loss be sure that you take into consideration only the part caused by hail.

First Test or Count Is Important One

The first test or count is the important one so far as gaining and retaining the confidence of the insured is concerned, and even though it is necessary to spend considerable time on the first count in order to convince and demonstrate to the insured that the count or test is fair, it is time well spent since the balance of the counts can be made more quickly and when the adjuster has finished with the counts and has ascertained the percentage of loss in the field, the insured is ready and willing to sign the test sheet.

In each of the following illustrations of adjustments no salvage can be



The twister shown in this picture is like what one expects to see from the descriptions of eye witnesses. The storms move so rapidly that it is not easy for the terrified beholders to remember to take a picture.

claimed as the wheat although headed has not reached the late milk or early dough stage. No shatter loss has occurred.

"A" insures two 100 acre fields of wheat. One field is a very thin stand and he insures it at \$5 per acre (there being only 8 straws to the lineal foot). The other 100 acre field being a very fair stand, he insures at \$10 per acre (there being 16 straws to the lineal foot). In field No. 1 we find by actual count two straws in a lineal foot broken, which is 25 percent loss as there were originally 8 straws to the lineal foot. "A" agrees that the percentage of loss is 25 percent which, of course, was actually obtained by using 100 straws as a unit. The percentages were inserted in the loss work sheet and on completion of counts the work sheet was signed by the adjuster and "A." There were twice as many straws broken in field No. 2 as in field No. 1 but as there were just twice as many straws originally the loss in percentage is 25 percent. The counts were, of course, inserted in the work sheet and signed by the adjuster and "A."

We will not make up the proof until after making the other illustrations.

Assured Knew of Damage By Fly

"B" has two 100 acre fields which are identical with the fields of "A" except that in field No. 2 one-half of the straws have been damaged by Hessian Fly and the amount of insurance carried per acre on each field is \$5 due to the fact that "B" knew, when he insured, that field No. 2 was damaged. In "B's" field No. 1 we find 2 straws broken by hail in a lineal foot and as there were but 8 straws originally the percentage is 25 percent. In field No. 2 we count down a row and remove the straws damaged by Hessian Fly. Since in this illustration we state that one-half of the straws were damaged, we have left out 8 straws to the lineal foot, the same as in field No. 1. We find 2 straws broken to the lineal foot in field No. 2 and therefore the percentage of loss is 25 percent. The tests being agreed to by "B," were inserted in the work sheet and the work sheet was signed by the adjuster and "B."

"C" also had two 100 acre fields of wheat identical in stand and value with the fields of "B" but not knowing that field No. 2 was damaged by Hessian Fly he insured it at \$10 per acre; in other words, he carried the same

FIRE AND TORNADO REINSURANCE

Pro Rata or Excess

Special facilities for handling term business

Inter-Ocean Reinsurance Company

CEDAR RAPIDS, IOWA

Condition December 31, 1927

ASSETS

Bonds (market value).....*	\$1,126,902.85
First mortgage loans on real estate	1,015,020.00
Collateral loans and stocks.....	12,550.00
Cash in banks.....	155,219.30
Accrued interest	52,783.63
Due from insurance companies..	227,351.99
Premium notes (advance).....	126,284.18
Real estate	96,894.74
Admitted Assets	\$2,813,006.69

LIABILITIES

Unearned premiums	\$1,518,969.60
Fire and allied lines....\$1,392,685.42	
Premium notes (advance) 126,284.18	
Reserve for losses.....	162,149.67
Reserve for taxes.....	44,731.01
Funds held under treaties.....	21,277.58
All other liabilities.....	50,846.14
	\$1,797,974.00
Capital	\$500,000.00
Surplus	515,032.69
Policyholders' surplus	1,015,032.69
Total	\$2,813,006.69

Have You Missed



the Most Important?

HAVE you sold him everything but Life Insurance? Then why not Life Insurance too?

A Farm's most important and most valuable asset is the Farmer himself. Is it logical to insure everything on the farm but its most precious asset?

You have acted as an insurance counselor to your client — Is there anyone closer to his insurance affairs than you? Are you not the logical one to take care of his Life Insurance requirements—Who knows them better than you?

And then there is the matter of compensation—certainly, adding Life Insurance to your line will add many dollars to your annual income.

The Prairie Life has an attractive agency contract for men desiring to add Life Insurance to their line as well as for men who desire to devote their entire time to Life Insurance—address the Agency Supervisor for particulars.

Operating in
Nebraska
Iowa
Colorado
Missouri
Kansas
Oklahoma
Texas
New Mexico

PRAIRIE LIFE
INSURANCE COMPANY
OMAHA, NEBRASKA

amount of insurance on the two fields as did "A."

In field No. 1 we find the same loss as in fields No. 1 of "A" and "B," and in field No. 2 we find the same condition as in field No. 2 of "B" and therefore we find the percentage of loss to be 25 percent.

Method of Making Up Proof of Loss

Now, we have arrived at the third or final step in an adjustment, which is to make up proof of loss. Before we can make proof of loss it is necessary to do two things: 1—To determine the value or prospective value of the crop; 2—To ascertain the amount of insurance on the insured's interest in the crop. Neither "A," "B," or "C" carried other insurance. We will assume that we have carefully ascertained the prospective value when walking through and making tests in the two fields of "A" and decided that field No. 1 would make 5 bushels per acre and field No. 2 would make 10 bushels per acre; that the price of wheat on the day the loss occurred was \$1.20 per bushel, therefore the crop was not overinsured. The proof would then be made up for:

25% loss on 100 acres of wheat insured at \$5 per acre or....	\$125
25% loss on 100 acres of wheat insured at \$10 per acre or....	250

Making a total of..... \$375

When making the tests and walking through the fields insured by "B" we will assume that we carefully estimated the prospective value of each field and agreed that field No. 1 would make 5 bushels per acre, and that field No. 2 would also make only 5 bushels per acre since one-half was destroyed by Hessian Fly. The fields having been insured at \$5 per acre we find they were not overinsured and therefore the proof of loss would be made up for:

25% loss on 100 acres of wheat insured at \$5 per acre or....	\$125
25% loss on 100 acres of wheat insured at \$5 per acre or....	125

Making a total of..... \$250

Proof Is Made According to Value

We are now ready to make proof on the fields belonging to and insured by "C." Field No. 1 is insured at \$5 per acre but has a value of \$6 per acre as it was agreed that it would make 5 bushels per acre and wheat was worth \$1.20 per bushel the day loss occurred. While field No. 2 has twice as many straws per lineal foot as field No. 1 it was reduced in value one-half by Hessian Fly, therefore the value would be the same as field No. 1 or \$6 per acre. The proof could be filled out for loss of:

25% on 100 acres of wheat insured at \$5 per acre or.....	\$125
---	-------

25% on 100 acres of wheat insured at \$6 per acre or..... 150

Making a total of..... \$275

Since the amount per acre for which the company was liable was reduced from \$10 per acre (the amount of insurance carried) to \$6 per acre (the value of the crop) you would insert in the proof, "Agreed sound value of crop at date of hail."

When wheat is headed, by counting the kernels in a head, and the number of straws to the lineal foot, you should be able to make a fairly accurate estimate of the yield per acre, although we know that the yield cannot be definitely estimated; but we can base our estimate of the yield as the crop then appears, considering that normal weather conditions will follow. My reason for referring in this illustration to the number of straws to the lineal foot was to fix in your mind the advantage of estimating yields in some such manner.

Losses of Less Than 5 Percent

Since difficulty is experienced by all of us in securing a release of claim when the loss is less than 5 percent, I will explain how the matter is being handled by some of the adjusters. I will simply assume that you have gone into the field of crops and, together with the insured, have found upon the completion of the five or more tests in the field that he is not entitled to a loss, since his average loss is less than 5 percent of the particular crop damaged.

There are, of course, a number of different methods that can be used and, perhaps, no one method can be used in all cases. In the ordinary case it is sufficient to write out a release and hand it to Mr. Doe to sign and at the same time say, "Well, Mr. Doe, since the loss is less than 5 percent on the particular crop on which you claim damage you may sign this release and we will waive the adjusting expense."

Should this not bring the desired result, that portion of paragraph No. 14 applying to a loss amounting to less than 5 percent should be read to him. Then read to him paragraph No. 26, which is just as much a part of the contract he signed as any other provision therein. The paragraph reads as follows:

"If the actual loss or damage by hail to any crop herein described is less than 5 per cent of the particular crop so damaged, then the insured shall pay all the expenses of investigating said claim."

Adjuster Should "Prove Up on the Field"

Then that part of the loss noticed wherein he has again agreed to pay the investigation expense and, which in reality, is a promissory note, should be read to him. By properly and carefully explaining why it is not possible to

allow a loss not covered by the policy he will usually sign. But should Mr. Doe be one of a class that is very much in the minority, but still one of a class with whom we have to deal, make out an itemized expense bill in duplicate, sign, and hand to him the original, retaining the duplicate to be mailed to the proper office, at the same time showing him the fallacy of his position and advise him that he still has the opportunity of being relieved of this expense by signing the release of claim.

Should you still be unsuccessful, in case the policy is for a large amount, or an extraordinary condition exists, wire or phone the facts to the proper office for instructions. In case the amount of insurance is for an average amount and there is no extraordinary condition existing in the field, some adjusters are instructed to "prove up on the field."

Get Reliable Farmers as Witnesses

One method of "proving up" on a field is simply this: If the agent is right, ask him to give the names of a few of the very best farmers in the community, who live somewhat distant from the insured, and whose statement even in court would be unquestioned. Then with the assistance of the agent, or without it, as seems best, select three or four of these men to view the field. It is, of course, necessary to pay them for their time but usually their charge is very reasonable. Call the attention of these men to that portion of the policy contract pertaining to the case in question, having them read it. Then show them how a loss is determined on a percentage basis, asking them to go into the field separately, properly making their test, inserting the result in the test sheet and when their work has been completed, to sign the test sheet in the presence of witnesses or swear to same before a notary public.

Before leaving the premises the adjuster should again talk to the claimant, showing him the findings of these witnesses and, unless he is the one man in ten thousand, he will sign the release. If he is that one man in ten thousand, and the case warrants, more witnesses should be secured since it begins to look as though that man is going to put up a fight. Before leaving the premises after the field has been properly "proved up" make out another itemized bill of expense in duplicate covering all expense, including the expense for the witnesses, sign, and hand to him the original, retaining the duplicate to be mailed to the proper office with full report.

A number of companies have collected from the claimant the amount of the expense as disclosed by the bill of expense made out by the adjuster, and each year more collections will be made from this class of claimants, in

order to prove that the old saying, "I have nothing to lose and everything to gain by reporting a loss," is wrong.

Summary of Points to Be Kept in Mind

To sum up: the things that are essential for the adjuster to keep in mind at all times are:

1. Secure proper information before attempting to adjust a loss.
2. Keep in mind the stage of growth of the crop you are to adjust.
3. Tests or counts are to determine the percentage of loss by hail, and not to determine the amount of the loss.
4. To always determine the value or prospective value of the crop and compare with the amount of insurance carried.
5. To determine the amount due the claimant in dollars, the ascertained percentage hail loss must be multiplied by the value of the crop per acre, instead of the amount of insurance carried per acre, if the value of the crop be less than the amount of insurance.

6. To be on your guard at all times to discover irregularities, and when a problem confronts you where there is a doubt in your mind as to the proper procedure be sure to communicate the facts to your company and await instructions.

In closing I wish to stress this point: When adjusting a loss be courteous, painstaking, and accurate, and when you have determined the amount of loss by hail for which the company is liable, make the adjustment for that amount—no more or no less. You have no choice in this matter. You are authorized to adjust losses only in accordance with the contract between the company and the insured, and when you do not do so, you are not only violating a trust, but you are injuring your own company which is giving you employment, and other companies as well. Furthermore, you are injuring the agent, the crop grower and the insuring public, since it is against public

AGENTS FAIL TO MAKE SELLING EFFORT

(CONTINUED FROM PAGE 24)

which was not insured and which suffered heavy damage.

Large Number of Improper Claims

Many underwriting and adjusting lessons were taught by the tornado. One is that the public feels if a building is damaged sufficiently to look badly the insurance companies should ask no questions, but should pay not to the extent of the actual damage only, but to the extent of the apparent damage. Small claims were so numerous that the National Board adjustment group was busy for weeks after the storm separating the false from the legitimate and settling the latter. Many

The GENERAL AGENCY of This Territory

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HOME OFFICE FACILITIES

On Fire and Allied Lines—Full Coverage Automobile Marine Floater-Farm
HAIL and TORNADO

Sell Windstorm Cover Before Loss

(CONTINUED FROM PAGE 28)

hundreds of false claims were entered, but extreme care was exercised to eliminate them from the total of claims paid. If some were allowed they were allowed only on overwhelming appearance of legitimacy.

A lesson that insurance companies and manufacturers of merchandise learned is that tornado insurance on merchandise sold on the installment plan is quite as essential as fire insurance. Many thousands of dollars worth of partly-paid-for merchandise was destroyed. On almost none of it was insurance carried, either by the buyers or the sellers. Many buyers who suffered losses were placed under the necessity of making an entirely new start in life. It is likely that they will progress so slowly that the installment merchandisers will have to wait years for their money, and may never be paid.

Agents Consider Premiums Too Small

What excuse has any agent for not writing windstorm insurance on every kind of risk for which the coverage is available? He has none that will bear analysis. The only reason for an agent's not writing the coverage in such cities at least as St. Louis and Poplar Bluff, Mo., Murphysboro, Ill., and Indianapolis, are lack of energy, timidity and lack of knowledge of the business he is in.

Company representatives say that the reason so little windstorm or dwelling contents is written is that the average agent in figuring premium potentialities figures in terms of one dwelling. But dwellings stand side by side on long streets and the total value of the dwelling contents in only one street is a big figure. Multiply the figure by all the good residential streets in any community and the figure is one that should make any agent interested. Yet even after such a disaster as the one that St. Louis suffered, those who adjusted the losses say, large amounts of insurance are not sold, but must be bought.

Poplar Bluff Profited By Free Lesson

After the storm that struck Poplar Bluff, Mo., earlier in 1927, adjusters found a different situation than was found at St. Louis. All of the city's buildings were insured in stock carriers and even larger amounts of mercantile contents coverage were carried. Dwelling contents also were insured to a greater extent than at Poplar Bluff. One of the reasons assigned for the altered situation at Poplar Bluff is that the storm that struck Murphysboro, Ill., in 1925 formed near Poplar Bluff, and that Poplar Bluff agents capitalized the Murphysboro storm. Several live agents started to push the windstorm line in Poplar Bluff as soon as word of the Murphysboro's suffering was broadcast. So when the same kind of suffering was occasioned at Poplar Bluff last year, many assureds had cause to thank their agents for offering opportunity to buy the right kind of protection in the right amounts.

North Dakota Report on State Hail Fund

THE report of the North Dakota state hail fund for 1927 shows that 41 percent of the cropped lands in the state were insured with the department. It also stated that 46 counties carried insurance in 1927 on a greater acreage than for 1926. The statistics for the department follow:

Risk carried	\$55,665,283
Cropped acreage in state.....	18,842,426
Acreage insured.....	7,786,532
Amount insured for \$3 additional	380,739
Increase in acreage protected.....	1,649,719
Indemnity to be paid for losses	3,315,917
Number of claims.....	16,780

knowledge of, or research into, the history of windstorm losses. In fact, the statistics of this subject at the best are more or less incomplete and unreliable. Yet it is interesting and instructive to glance at just a few of the figures presented in United States weather bureau reports. For example, in a period of eight years (1923 being the latest complete report with distribution by states) there were but eight states in continental United States in which no tornadoes occurred; six of the eight were in the east, and four out of these six are of decidedly small area. In those eight years there was a total of 734 tornadoes or an average of over 94 per year, and the average number of states in which they occurred was 25. Reports for the entire country, without distribution by states, are available for the subsequent period of four years, 1924-1927. These show increases in the average number of tornadoes per year, which was 130, and in the number of states affected which in this latest period averaged 29 per year.

In the twelve years, 1916-1927 there were just four states completely free from tornadoes, according to weather bureau records: Maine, Rhode Island, Delaware and Nevada; though in some of the others the tornadoes that did occur resulted, happily, in no serious loss.

Loss of \$50,000,000 Suffered Last Year

Preliminary estimates for the year 1927 indicate that there were 160 tornadoes in that year affecting 27 states with total property loss of about \$50,000,000. There were 29 separate tornadoes during 1927 that destroyed \$100,000 worth of property or more, and six of these involved property loss running to over \$1,000,000.

The frequency of tornadoes in equal areas of 10,000 square miles is indicated by the following ratios:

Iowa .....	.91	Maryland .....	.45
Kansas .....	.88	Tennessee .....	.43
Arkansas .....	.83	Nebraska .....	.38
Illinois .....	.76	Pennsylvania .....	.37
New Jersey .....	.75	Michigan .....	.32
Missouri .....	.71	New York .....	.28
Ohio .....	.52	South Dakota .....	.26
Massachusetts .....	.50	Texas .....	.18

The accompanying chart is intended as a graphic representation of the extent to which the sale of tornado and windstorm insurance has met the indicated requirements for such protection in the several states.

It will be noted on inspection of the chart that tornadoes are more frequent in Iowa than in any other state, the rate there being .91 per annum per unit of 10,000 square miles. Note again, that in proportion to its property values, as reflected in fire premiums, Iowa carries more tornado insurance than any of the other states, the proportion being 18.6 percent of its fire premiums. This is as it should be, since Iowa is the state having the highest rate of tornado frequency.

Taking the state of Iowa therefore as a standard of comparison, we may determine roughly whether or not the other states are sufficiently covered by tornado and windstorm insurance. It should be borne in mind however that the frequency chart relates only to actual tornadoes, there being no data of this sort available with respect to the other manifestations of atmospheric disturbance.

Let us illustrate the use of the chart. Illinois shows a tornado frequency of .76 compared with .91 for Iowa, Illinois' frequency therefore is 83½ percent of our standard of frequency in Iowa.

Turning now to the third section of the chart, we find that, judged by the volume of fire premiums, Illinois has

five times Iowa's wealth of insurable property. According to this formula, the state of Illinois ought to have 83½ percent of five times as much windstorm insurance as the state of Iowa. The indicated volume of windstorm premiums for Illinois therefore would be \$7,890,000, instead of \$4,715,000 actually written. Allowance is to be made, of course, for the difference in character of the two states, Iowa being much more largely rural and containing no such metropolitan community as we find in Chicago and its environs, in the state of Illinois.

Another example. The chart shows the state of Massachusetts with three times as much insurable property as Iowa and tornado frequency rates at .50 compared with .91, or 55 percent of our standard. In other words, on terms of equal tornado frequency, the property values of Massachusetts would require \$5,670,000. of windstorm insurance as the equivalent of Iowa's \$1,890,000, but, considering the lower frequency, this may be reduced to 55 percent or \$3,118,000. A further reduction however would be in order, due to the fact that windstorm premium rates in the state of Massachusetts are but about one-half those charged in Iowa. So that apparently Massachusetts, to be adequately insured against windstorm losses, should produce a wind premium income of \$1,500,000. Actually it produces but \$73,000.

This chart is merely illustrative of the general principle contended for and is not held out as an accurate and positive guide, for there are many other factors, such as average severity of storms, which are not, and cannot be, ascertained and charted.

Acknowledgment is made of valuable assistance rendered in the preparation of this article by P. C. Day, meteorologist in charge of the climatological division of the United States weather bureau, who has supplied the author with recent government statistics not readily obtainable in published form.

Half of Premiums Came from Eight States

More than half the \$36,000,000 tornado and windstorm premiums in the year 1926 came from eight states which may be classed as the tornado states. They are, Arkansas, Illinois, Indiana, Iowa, Kansas, Missouri, Oklahoma, and Texas: \$19,000,000. Of the remaining \$17,000,000 more than \$10,000,000 came from eight other states bordering on the tornado group: Kentucky, Michigan, Minnesota, Nebraska, Ohio, South Dakota, Tennessee and Wisconsin. Nearly \$4,000,000 came from the six southern hurricane states, Alabama, Florida, Georgia, Louisiana, Mississippi and South Carolina. The other \$3,000,000 trickled in from 27 out of the 49 states, including the District of Columbia, which make up the continental area of the United States.

Consider the fact that violent windstorms and even real tornadoes do occur with fairly well distributed frequency and regularity, attended by much property loss. Note that the number of such storms and the property loss entailed by them appear to be increasing, while the territories claiming freedom from recorded tornadoes are fewer as time passes. Observe that some of the heaviest windstorm losses have been suffered in communities long thought immune. Again remember that the twenty-seven states producing the least windstorm business have among them some in which concentrations of property values exposed to the risk are heavier than anywhere else on the continent.

Is it not fair to suggest that the business of insurance is neglecting an opportunity to serve a real public need by its failure, or at any rate its inability

thus far, to spread windstorm insurance more evenly over the entire country? What is needed is that we shall create and foster, first in the minds of insurance people, and then in the consciousness of the public, some realization of the property risk inherent in the violent atmospheric disturbances that history shows may be expected at any time and in every place.

Do Insurance Men Carry Windstorm Cover?

If we, who are engaged in the insurance business, believe this, do we carry our belief into practice by taking out windstorm insurance, ourselves, on our own property? Insurance company officials and managers are not immune, windstorm insurance will serve them quite as well as other people. The fieldman needs it for his own protection, apart from the fact that without it he cuts a sorry figure as its advocate. Every agent and broker who tries to sell windstorm insurance should first buy windstorm insurance for himself. The shoemaker cries his wares but feebly who lets his family go barefoot.

Savings banks, mortgage companies, building and loan associations are beginning to ask for windstorm insurance on the properties covered by their mortgages. Do banks demand it as additional security to their loans? Not often, probably. Yet they look after fire insurance.

It has been observed again and again, especially in what we may term the calmer regions of the east, that the interest of insurance agents and property owners in the subject of windstorm insurance, aroused at times by some local storm of unusual severity, is not sustained. Windstorm policies are sold in considerable numbers, only to be dropped again at their expiration. How can a thorough-going, competent and conscientious agent, the guardian of his customers' insurance budget, allow anything so utterly foolish to happen.

Florida Insured After Hurricane

Look at Florida's experience. Up to 1926, the year of their great hurricane, the windstorm premiums in that state had not much exceeded \$300,000 per annum. In 1926 they were more than \$1,000,000 against a loss of over \$12,000,000. Most of that \$1,000,000 premium payment was evidently for insurance taken out after the hurricane. Will Florida have the wisdom to keep its new volume of wind insurance renewed, or will it drop away as the years pass, until the next great hurricane finds another \$12,000,000 victim of inadequate insurance? If so, what was the sense in paying out \$1,000,000 in premiums after the last blow? Premiums paid for insurance represent prudent investment when the insurance is kept continuously in force. Insurance suffered to lapse when no loss has occurred is little else than foolish waste. This doctrine has been preached so constantly and so effectually in its application to fire insurance that one marvels it should need even be mentioned. But windstorm insurance is evidently another story, and a story that must be told afresh in all its interesting ramifications, as if it had never been heard before.

Fortunate is it indeed that the wind, unlike that other destructive element, fire, is not increased by that upon which it feeds. It licks up only what is in its path and more often rages through the open spaces than descends upon thickly settled habitations of mankind. St. Louis and Miami are examples of what can happen when urban, instead of rural, districts become the victims. More and more as this country becomes more densely populated and its accumulated wealth multiplies, will that treasure be exposed to the risk of destruction and loss by the fickle wind. And so, though the frequency of destructive storms increase not at all, yet will their destructiveness increase, and in like measure, the necessity of windstorm insurance.

Mystery of "Second Joint Clause" Clarified

By W. J. McSLADREY
Special Agent, Fidelity-Phenix

THERE is an old adage that reads "Well begun is half done." In hail insurance this might be paraphrased to read "Well sold is half adjusted." In the early days of hail insurance corn was one of the profitable crops for the insurance companies. For several years prior to 1925 corn insurance was extremely unprofitable. The companies have been seeking the cause of this, and a remedy for this evil.

New Clause Is Logical Solution

The "second joint clause" on corn seems to be the logical solution of the difficulty, as it gives the farmer full protection for all real and serious losses, and relieves the companies from the payment of a multitude of apparent losses where no real damage is done.

The best authorities on corn state that when plants are small, all of the root nodes and stalk joints are in a telescope-like nest of less than two inches in length at or below the ground level. No hail damage can be done unless this nest of joints is injured. This is known as the grassy stage. As the plants grow in height, the joints and nodes push upward until the top root node is about level with the brace roots above the ground level. The stalk joints, about 11 in number, are all grouped together in the joint nest just above the top root node. This condition lasts only a day or so and the stalk joints begin to separate like a telescope, and we say then that jointing has begun. When these joints are all above the ground and jointing has begun, a hailstone striking this nest of joints near the ground level could easily cause total destruction of the plant. Naturally, this is the logical time for insurance to attach to corn.

The "Hartford Agent" for March points out that while the west is often referred to as the "tornado belt," the actual records show that 54 percent of the really violent tornadoes have occurred east of the Mississippi river.

Education of building and loan associations and other lending institutions on the necessity of windstorm insurance for the protection of the mortgagee will produce wholesale results in premiums.

A safety slogan says "You are just as dead right as wrong." A factory demolished by a tornado is just as useless as one destroyed by fire. The reason for carrying fire insurance is to be able to resume business again. The same reason dictates the carrying of windstorm insurance.

Tornado and Windstorm Losses

(Compiled by United States Weather Bureau)

Tornadoes alone: Tornadoes alone: Winds not tornadoes: Total wind
Final Preliminary Final, except 1927 and tornadoes

Year	Number	Loss of life	Loss of property	Number	Loss of life	Loss of property	Number	Loss of life	Loss of property	Number	Loss of life	Loss of property
1924	130	376	\$26,120,850	106	360	\$23,654,000	73	\$13,344,950	449	\$39,465,800		
1925	119	794	\$4,023,900	115	853	\$2,023,000	85	\$1,612,380	879	\$5,636,280		
1926	111	144	\$4,318,950	110	136	\$3,394,900	354	\$92,409,150	498	\$6,728,100		
1927 (Ready abt. Sept., 1928)	166	521	\$47,366,800	166	521	\$47,366,800	52	\$4,673,700	52	\$2,040,500		

The light faced (preliminary) figures are compiled from the lists printed in Monthly Weather Review. More details are secured later and the single items are found sometimes too large, sometimes too small. A few storms are tardily reported.

These figures apply to the country proper, not including either Alaska, Hawaii, Porto Rico, Virgin Islands. In these latter no tornadoes have ever been noted, as far as the weather bureau has ascertained, but the figures for windstorms not tornadoes would usually be slightly increased if these outlying areas were reckoned.

* Includes St. Louis. † Includes Florida.

Index to Advertisers

A		K	
Agricultural	21	Kansas Underwriters	17
American Eagle	9		
B		M	
Balley, J. G.	16	Miller Studebaker Agency	12
Black & Armstrong	1	Morrison & Co., Inc.	36
C		N	
Carpenter & Co., H. G.	A	Northwestern Fire & Marine Ins. Co.	2
Continental Ins. Co.	B		
Corroon & Reynolds	18, 19	P	
Cosgriff & Von Sien	14	Prairie Life	35
Cravens Dargen & Co.	1	Q	
E		Queen City	16
Eureka Security	A	Queen	31
F		R	
Fidelity-Phenix Insurance Co.	13	Reynolds Bros.	10
First American Fire Insurance Co.	15	Royal	22
G		S	
Globe & Rutgers Fire Insur. Co.	IBC	St. Paul Fire & Marine	10
Great American Insurance Co.	BC	Security	20
Guaranty Liability	20	Shaw, A. J.	20
H		T	
Hedwall-Sundberg Co.	IFC	Twin City	14
Home Insurance Co.	FC		
I		V	
Inter-Ocean Reinsurance Co.	34	Van Arsdale & Osborne	17

SELLING HAIL COVERAGE ON FRUITS (CONTINUED FROM PAGE 6)

ance companies cannot afford to carry the risk the average grower certainly cannot afford to carry his own risk.

The rates are necessarily higher than grain rates, but the hail hazard is two to three times as great.

From my own experience in adjusting losses I find that a hail storm that will damage a grain crop 10 percent will damage a fruit crop 20 to 30 percent. This should be explained to the grower and try to get him to understand that the more hazardous the risk the higher the rate.

I find that a great many agents say they cannot write fruit insurance because the rate is too high. This is not true in most cases, as I have found that when the policy contract was fully explained, and methods of adjustment were understood that it is as easy to sell hail insurance on fruit as it is on grain. It is a matter of the agent first being sold himself.

Hail insurance is sold, not bought, and it takes a certain amount of salesmanship to put it over, but I always feel that I have rendered a grower a real service when I deliver to him a hail insurance policy on fruit.

The "Hartford Agent" for March point out that the tornado damage for 1927 was almost double that of any previous year according to preliminary estimates by the United States weather bureau.

St. Louis carried no insurance on its school buildings involved in the St. Louis tornado. Shortly after the storm the board of education received an estimate of \$31,961 premium for complete tornado insurance on all its property for three years. The loss suffered on Sept. 29 would have paid the insurance for almost 100 years.

Many cities almost in the path of destructive tornadoes in 1927 escaped their fury by a margin of only a few miles; but the number that were struck was unprecedented for any year. To name them is almost like listing the important cities of the middle west.

The "Hartford Agent," agency magazine of the Hartford Fire, carries a significant article on tornado damage in its March number, showing that 140 tornadoes occurred in 1927 with a total property damage of almost \$50,000,000 and 469 lives lost.

The loss on the Catholic high school of St. Louis University in the storm of Sept. 29 was \$152,000.



The buildings whose ruins are shown in this picture were all of solid brick construction. It requires the evidence of witnesses to establish the fact, because it is hard to discern from the evidence in the picture. The photograph was taken in Poplar Bluff after the storm of last September.



This picture shows one solid brick building leveled to the ground and another with very little left, with partial damage to a third, as the result of the Poplar Bluff tornado of September, 1927. A penciled note on the snapshot says, "One killed."



Globe & Rutgers

FIRE INSURANCE COMPANY



111 William St., New York City

JANUARY 1st, 1928

ASSETS

Bonds and Mortgages.....	\$ 149,834.90
U. S. Liberty Bonds.....	519,200.00
Government, City, Railroad and other Bonds and Stocks.....	67,965,477.50
Cash in Banks and Office.....	3,052,132.11
Premiums in Course of Collection	8,309,190.10
Interest Accrued	143,939.12
Reinsurance Recoverable on Paid Losses	53,964.94
	<hr/> \$80,193,738.67

LIABILITIES

Capital	\$ 3,500,000.00
Surplus	29,514,599.03
Reinsurance Reserve	21,794,727.64
Losses in Course of Adjustment.....	9,905,412.00
Commissions and other Items.....	6,974,000.00
Reserve for Taxes and Deprecia- tion	8,505,000.00
	<hr/> \$80,193,738.67

Surplus to Policy Holders . . . \$33,014,599.03

Losses settled and paid since organization over \$225,000,000 Losses settled and paid 1927 .. \$21,409,822.82

ISSUES POLICIES AGAINST

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Progress since Consolidation in 1899

	Assets	Reserves	Surplus
Dec. 31, 1899	\$529,282.59	\$28,832.54	\$2,028.94
Dec. 31, 1910	5,255,362.12	1,936,224.86	2,365,363.37
Dec. 31, 1920	42,765,374.55	16,593,764.16	11,361,311.89
Dec. 31, 1925	67,922,096.58	20,265,572.73	24,161,943.85
Dec. 31, 1927	80,193,738.67	21,794,727.64	29,514,599.03

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REGINA
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CALGARY

Great American Insurance Company New York

Cash Capital

\$15,000,000

IOWA ILLINOIS OHIO STATES OF INDIANA MICHIGAN WISCONSIN

REPORT TO

WESTERN DEPARTMENT

310 S. Michigan Ave., Straus Bldg. - - Chicago, Illinois

JOHN PETERSON, Mgr. Hail Dept. C. R. STREET, Vice-President GEORGE B. SEDGWICK, Asst. Secy.

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